# FOREIGN AFFAIRS

*Summer 1980* *$3.75 a copy*


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Lizabeth A. Beauregard, Vice President, Chemicals & Rubber Division – Photographed at Celanese Mexicana, S.A., Queretaro, Mexico.

# "You don't have to be a chemist to understand the basic ingredient of a successful banker-client relationship. It's hard work."

"Banking isn't a matter of cranking out loans for clients. It's being sensitive to their situation, knowing what they need and why. It's being alert to alternatives like leasing and project financing. Or maybe better cash management. But the end result is helping you wherever and however we can."

"It's my first priority to make sure my clients definitely have an advantage when it comes to global financing."

"I'm constantly in touch with my rubber and chemical clients, whether in Mexico, or around the world, because I have to know what's going on between them and our bank all along the line."

"The way we familiarize ourselves thoroughly with specific industries produces big advantages for clients. After all, the more I know about my customers' needs, the more I can match them to Chase's strengths and capabilities."

## The Chase Bank

Professional relationship banking in over 100 countries through a mature network of branches and affiliates.

CHASE

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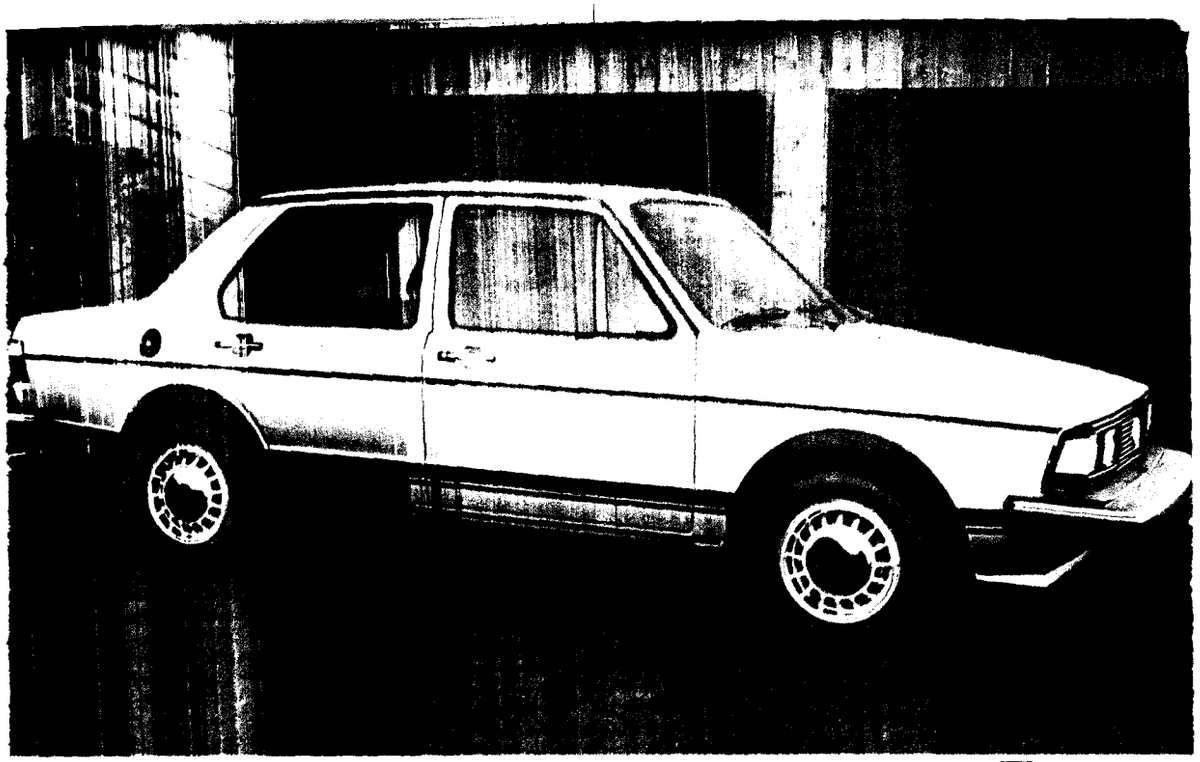

# WHAT DO YOU THINK IT IS?

Need some help?

Then consider the following:

The car you're looking at has a CIS fuel-injected engine that can take you from 0 to 50 in 8.5 seconds.

And power-assisted disc drum brakes that can take you from 50 to 0 in less than three.

It has 4-wheel independent suspension to keep you from going like this on bad roads.

And front-wheel drive to give you responsive handling even in bad weather.

In back, there's a trunk so large it can hold six suitcases.

All standing up.

And inside, there's room enough for a family of four.

Got it yet?

Well, maybe it would help to know that for all its impressive performance on the road, this car still turns in a pretty spectacular performance at the gas pump.

It gets an EPA estimated 25 mpg, 40 mpg estimated highway. (Use "estimated mpg" for comparisons. Your mileage may vary with weather, speed and trip length. Actual highway mileage will probably be less.)

You still don't know?

Then we should probably mention one last thing.

This car doesn't look like what it is, and most people have a hard time guessing.

So why don't we just tell you.

We call it the Jetta.

Of course, Autoweek had a different name for it.

They called it, "another winner from Volkswagen."

# THINK AGAIN.

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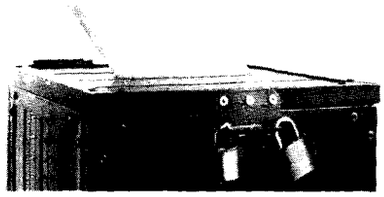
# PUERTO RICC

**We flock to the p**

*The democratic process is a* *of life in Puerto Rico. In 197* *86.9% of our registered voter* *cast ballots. On the mainlar* *the turnout was 54.4%.*



**We cherish our culture.**

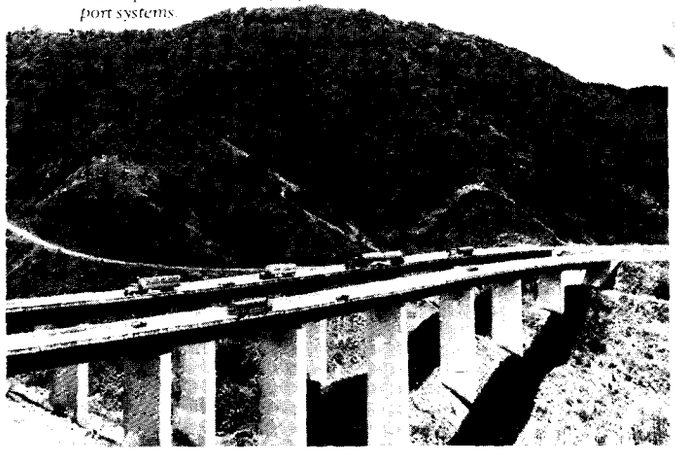
*The Areyto is an internationally known folkloric troupe that helps to perpetuate our unique songs and dances. They've been applauded on four continents.*

**We're family-oriented.**

*We want each new generation to be better than we are. At this Marquez family gathering, there's a chemistry professor, a university administrator, a lawyer, and six youngsters who'll follow in their footsteps.*

**We have fine highways.**

*18-wheelers can reach any seaport within 2 hours. This year we'll spend $274.8 million to expand and improve our industry support systems.*



**We're Americans in our own special ways. We're proud of our heritage, just like other Americans are proud of theirs.** Iowans are different from New Yorkers. Puerto Rico's 3.3 million American citizens are different from Ohio's 10.7 million. That's what America's all about. Differences. And similarities.

The music that play. our shopping malls has a Latin beat. But you'll f J.C. Penney and Sears and McDonald's there. A a thriving business in each.

We also share more basic things with our fe Americans. Like wanting to get ahead. And a w ingness to work for it. Puerto Rico is alive with skills and talents. Labor turnover is lower than

Approved by the Electoral Review Board.

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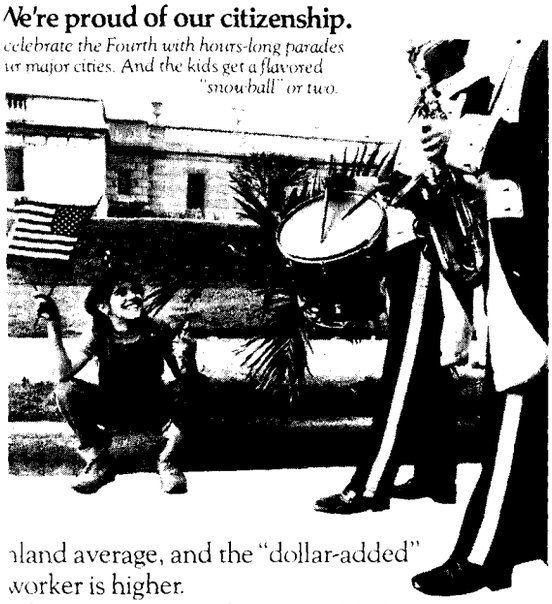
# [S AMERICA.

**We're community-minded.** *Thousands of parents volunteer time for Cub Scouts and other youth activities. Our civic organizations are familiar: Kiwanis, Lions, Rotary, Shrine.*

**We're proud of our citizenship.**
*celebrate the Fourth with hours-long parades ur major cities. And the kids get a flavored "snowball" or two.*



**We're technically skilled.**
*Our work force builds intricate computer equipment from design specifications to finished product. Thousands of American hearts beat with the aid of a pacemaker made in Puerto Rico.*

ıland average, and the "dollar-added" worker is higher.
That's one reason why almost 2500 ıufacturing companies have established opera- s here since 1950. Another is our geographic linguistic ties to over 200 million Central and th American consumers.
All considered, is it any wonder that 535 companies have built new, additional or expanded facilities here in the last 3 years alone? They've found that Puerto Rico and industry is a partnership that works.

## Puerto Rico, U.S.A.

The ideal second home for American Business.

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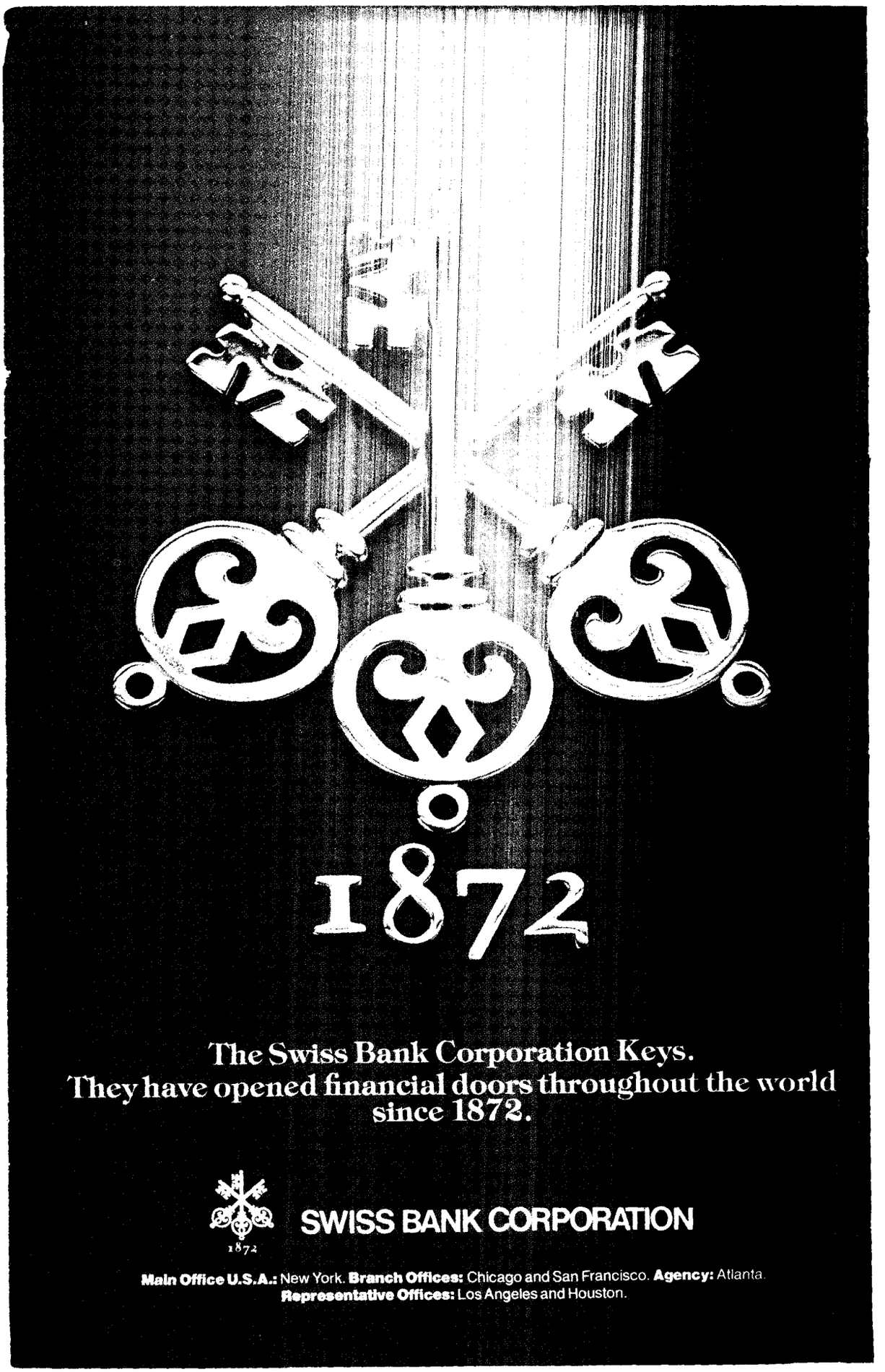


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**They have opened financial doors throughout the world since 1872.**

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**Main Office U.S.A.:** New York. **Branch Offices:** Chicago and San Francisco. **Agency:** Atlanta.
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# The diamond solitaire.

# A rare gift.

One single diamond.
Set simply and elegantly, to sparkle on its own.
The diamond solitaire.
A jewel that becomes more precious with
every passing year.
The gift that makes a rare and beautiful
moment last a lifetime.

A diamond is forever.

The 1¼ carat diamond shown is enlarged for detail. DeBeers.

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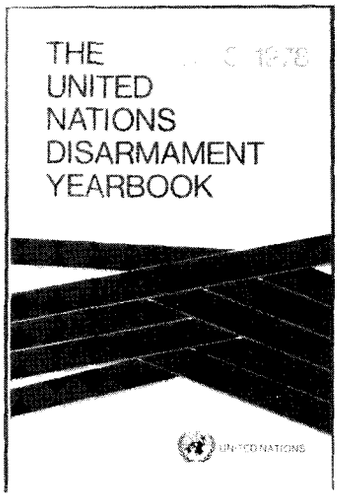


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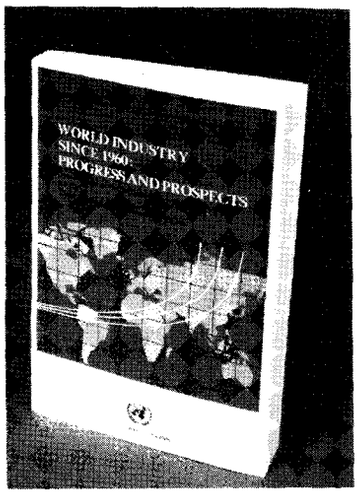


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# HOW GM "PROJECT CENTERS" CREATE CARS

## FROM CONCEPT TO CUSTOMER IN THREE YEARS AND THREE BILLION DOLLARS

Throughout the history of the automobile industry, product change was almost always evolutionary. But in 1973, GM determined that the times required revolutionary changes. It started its first Project Center—which by itself heralded a revolution in the use of science and technology to meet the changing demands of the marketplace. A few months later, the Arab countries launched the oil embargo. Fortunately, machinery was already in motion in GM to create and develop new cars and components in a new way and faster than ever before.

**GM's first Project Center brought out totally new full-size cars:** smaller, yet roomier, and far more efficient than their predecessors. The advertisements said they were "designed and engineered for a changing world"—and they were. Another Project Center, begun in 1975, developed the immensely popular GM X-cars.

Led by the five car divisions, Project Centers gather people, ideas, and knowledge from all 30 divisions and staffs of General Motors. In the first stage, which we call "concepting," experimental engineers, environmental scientists, forward planners, and marketing experts pool their thinking. Their objective: what the marketplace will require. This is the most important stage. Here we must determine not only what kind of car, but how many we might be able to build and sell years later. Economics, customer tastes, availability of various kinds of fuels must be compared with state-of-the-art technology—and what steps must be taken to advance that technology quickly yet surely.

In the "concepting" stage, a new car is conceived. If the car is to be sold to customers three years later, construction of new plants must begin and basic tooling must be ordered.

The second phase of the Project Center takes 24 to 30 months. It encompasses development, design, structural analysis, handling analysis, emissions, noise and vibration, safety, reliability, serviceability and repairability, manufacturing, assembly, marketing, financing.

Advanced product engineers and research scientists work with the one hundred fifty to two hundred people at the Project Center and thousands more in the staffs and divisions to transfer new science and technology to the new car. Components are hand-built and "cobbled" into existing models for road testing.

**Prototype cars are hand-built at a cost of more than $250,000 each.** These enable the Project Center team to determine how newly developed, pretested components operate as a unit. Then, pilot models will be built from production tooling and tested some more. New technology, such as structural analysis by computer, saves time. Lead time has been reduced by 25% from ten years ago, when cars were far less complex.

After almost four million miles, nearly three billion dollars, and nearly three years of work, the new cars—quite unlike anything before them—start coming off the production line at a rate of better than one a minute.

**There are now eight Project Centers in General Motors.** Four are developing new cars using hydrocarbon fuels, one is creating an electric car, and others are working on computerized engines and emission controls, a new kind of automatic transmission, and the inflatable restraint system.

New and revolutionary cars can't be mass produced for the road overnight. But by putting all the parts of General Motors to work together, we found a way to speed up the process. We have integrated the creativity of thousands of human minds to make invention into reality when it's needed.

*This advertisement is part of our continuing effort to give customers useful information about their cars and trucks and the company that builds them.*

**General Motors**

People building transportation to serve people

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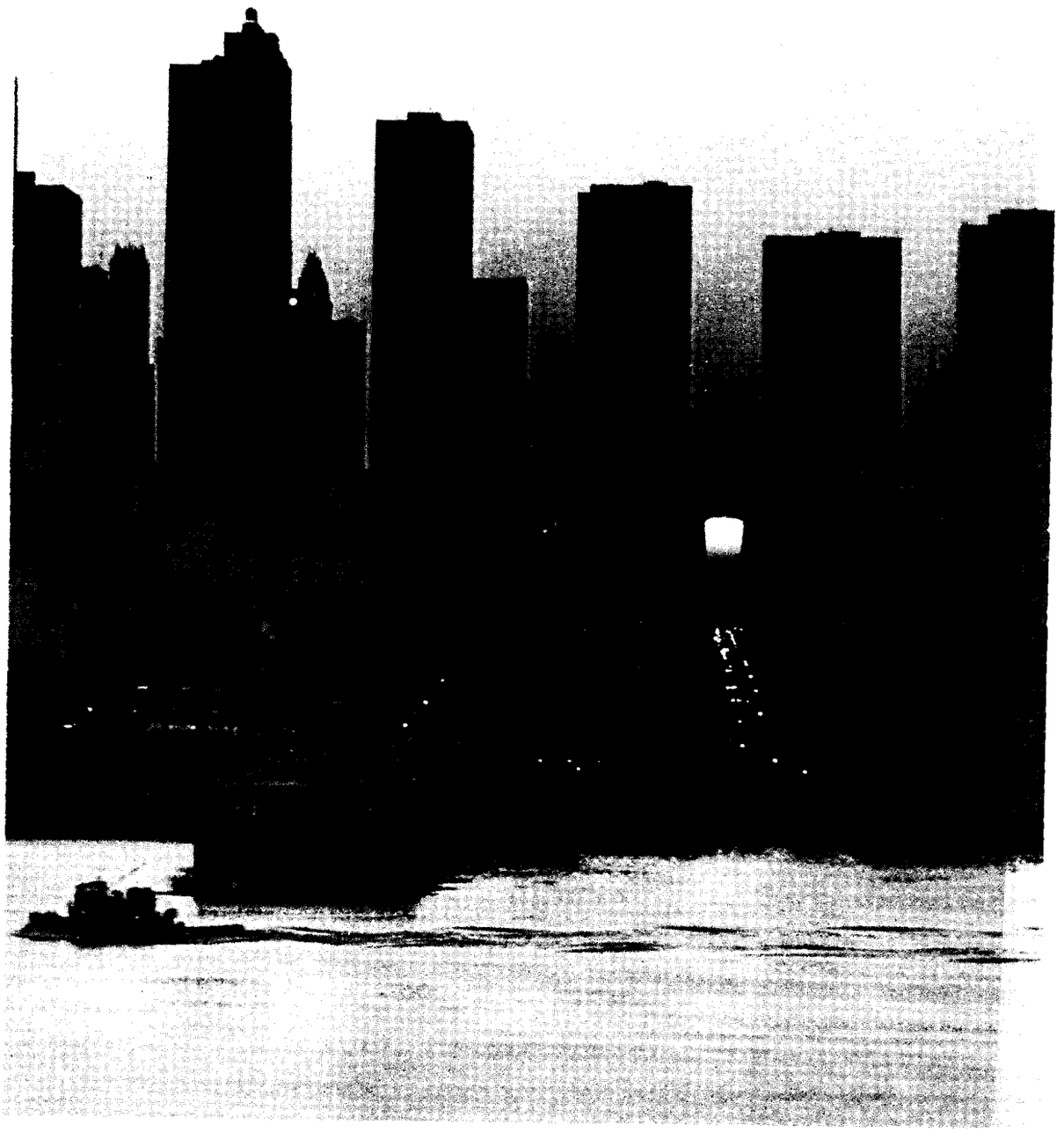

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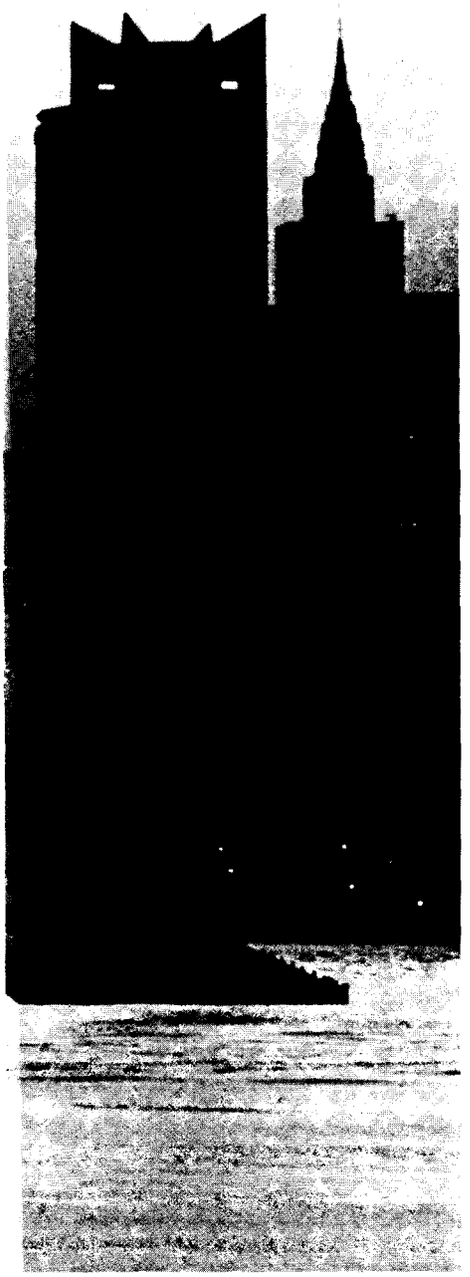

## IT'S TOMORROW'S WAY OF BUSINESS, TODAY...

...It represents the complex commitment Manufacturers Hanover has made to create a banking relationship of the highest standards—in lending and operations. Because business now demands reliable credit alternatives intertwined with informational and operations services.

Manufacturers Hanover is meeting these demands for more than 25,000 customers, from the local manufacturer to the multinational corporation.

We offer a unique market-driven approach to cash management and a range of credit alternatives that no other financial institution can surpass. Our equipment financing/leasing arm operates eleven offices across the country and eighteen worldwide. Our commercial financing/factoring affiliate is located in key manufacturing centers around the United States.

Internationally, Manufacturers Hanover connects over one hundred strategic facilities in more than forty countries. Our London and Hong Kong based merchant banks are recognized leaders in Eurodollar financing.

Yet it is not just the integration of lending capabilities with operating expertise that makes Manufacturers Hanover different. It is our people. A Manufacturers Hanover banker is dedicated not to telling you how to manage your business, but to working with you on managing even your banking needs of tomorrow, today. Consider the source.

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**The financial source.Worldwide.**

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cost the U.S. in economic and

**strategic terms?**

## And why do so many world leaders turn to *Defense & Foreign Affairs* for such strategic analysis and projections?

Many people, in the US and elsewhere, have become increasingly restive about the gathering momentum of international tensions. About two years ago, *Defense & Foreign Affairs* published an article called *Indicators of the Coming War*, outlining the converging course of a number of international trends which could presage major conflict. For more than a year before that, it had begun detailing the specific threats to the stability of the Iranian Government. Years before that it had outlined the impending Soviet energy pressures which would force the USSR to seek international alternatives. Who read this information? Many heads-of-state, cabinet ministers, armed forces commanders and key ambassadors around the world. President Carter does not subscribe to *Defense & Foreign Affairs*.

**Defense & Foreign Affairs** monthly magazine began more than eight years ago as a report dealing in Grand Strategy issues: the overall fabric of how the world interlocks and interacts. It was intended as a totally non-partisan policy report and analysis for heads of government, cabinet ministers and senior defense officials. Today, *Defense & Foreign Affairs* is still the only "trade journal" of national management.

*Now,* DEFENSE & FOREIGN AFFAIRS *is being made available to a number of additional readers with a serious involvement in the foreign policy and strategic affairs process.* The cost to North American readers is $60 a year; elsewhere the cost is $75 a year.

Each edition has several concise, readable reports on strategic issues, plus a wide range of regular features, such as the *Conflict Index* which outlines current and predicted areas of unrest worldwide, the *Arms Transfer Tables* which provide a unique table of recent international arms acquisitions (the only such comprehensive listing published and used by governments worldwide), tables of oil production and prices, reports on US and Soviet strategic postures, and so on. New technology is analyzed for its strategic import; the *Power Tables* tell you each month who's in and who's out of office.

As well, **Defense & Foreign Affairs** is perhaps the most elegant trade journal available, from its gold-embossed cover and parchment flyleaf to its discreet but readable design, graphics and typography.

**And if you subscribe before September 30, 1980, we'll give you 13 issues for the price of 12.** *Just fill out and return the coupon below.*

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# We're willing to spend hundreds of millions of dollars to bring you gasoline from oil shale before the end of the 80's.

merican oil shale reserves contain ore oil than all the crude oil serves of the Middle East. The eatest concentration of this shale located in western states such Colorado. On just one 5,000-re tract where Amoco and its artner are working, there's ough shale to produce up to billion barrels of oil—making it ne of the richest oil reserves the United States.

ght now we have $100 million d nearly six years invested in our lot oil shale plant. We're willing spend hundreds of millions of llars more to make this plant commercial reality.

**ew American oil below orld prices**

ne technology exists to separate finable oil from shale. And in ite of the tremendous cost, we elieve that we can eventually eliver this oil at prices below what e will be paying for foreign oil.

But there's a problem beyond technology that must be addressed before we can move ahead much further. And this problem is created by what we believe is the government's unrealistic level of regulatory paper work.

The initial approvals we received to develop the site we're working are good only for experimental production. Before we can begin commercial output of 76,000 barrels per day, we have to go through the whole process all over again.

**Over 120 permits just to get started**

The first time around we had to obtain more than 120 permits and approvals before we could begin our work. Compiling the environmental data alone cost over $5 million and took more than 2 years.

When regulation gets to the point where it obscures the original purpose—in this case, developing new American energy—then it's time to put things back in perspective. America can't afford to drag its feet any longer. Foreign oil is becoming more expensive by the month and continues to threaten the security of our country.

The sooner we can get on with the job of producing new American energy, the sooner we can help end this dependency. That is why we plan to spend even more money in the 1980's to make gasoline from oil shale. We want to make it available on a large scale in this decade.

**America runs better on American oil.**

AMOCO

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# East European Integration and East-West Trade

Edited by Paul Marer and John Michael Montias
Analytical and theoretical essays by leading authorities in the fields of international trade, economics, and East European affairs. Establishes a comprehensive, up-to-date, and balanced Western perspective on foreign trade in the centrally planned economies of Eastern Europe. **$22.50**

# The International Economy and the National Interest

By Irvin Millman Grossack
Suggests a redefinition of international trade in transnational rather than transterritorial terms, thus enabling the concepts of trade and investment to be unified in theory as they are in practice. ". . . interesting amplifications and modifications of orthodox theory." —*Choice* **$17.95**

# Political Investments in Food Production

## *National and International Case Studies*

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Essays by political economists and area specialists consider the impact of factors such as land tenure, price and distribution policies, and government investments in infrastructure, inputs, and credit on the production and ultimately the consumption of food. **$19.95**
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## *An Assessment of Alternatives*

By Marcus Franda
"There is no competing study that covers recent phases of India's rural development with anything like Franda's breadth and depth . . . Franda has combined 'high journalism' with scholarly knowledge and honesty to explore the broad range of India's rural sector . . . ." —Richard L. Park, University of Michigan **$17.50**
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# Egypt

## *Burdens of the Past, Options for the Future*

By John Waterbury
". . . show[s] Waterbury's profound understanding of Egypt's economic and social problems and of the ways in which the government's choices have been progressively narrowed." —*Foreign Affairs* "An excellent and sophisticated introduction to contemporary Egypt." —*Choice*
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Citibank, N.A. Member FDIC

## There's a lot more to this Welsh oil refinery than meets the eye. Thanks to some remarkable environmental planning—and to Citibank.

So artfully was this Milford Haven refinery designed, with the counsel and approval of the County Planning Authorities, that this is virtually the only vantage point from which it is apparent.

From other angles, special landscaping features make it visually unobtrusive. So do the stipulated heights and colors of its storage tanks. Stringent controls prevent air and water pollution. The permissible noise level at the boundary line is equivalent to an average birdcall.

Today a £100,000,000 lease arranged by Citibank and its affiliate, Citicorp International Group, is financing the installation of a catalytic cracker, equally compatible with the environment, by Amoco (UK) Ltd. and Murco Petroleum Ltd.

**"Citibankers did much to make this project possible."**
James E. Allard, Financial Executive of Amoco, and Murco Group Vice President Clefton D. Vaughan agree: "This innovative financing was a definite factor in establishing the project's feasibility."

Catalytic cracking extracts from crude oil a substantially higher proportion of high octane petrol. Murco, with processing rights to 30% of the refinery's output, will gain a convenient processing point for its North Sea oil. Amoco, with 70% processing rights, expects to almost double its share of Britain's petrol market.

*Discussing progress of the joint venture are, left to right: James E. Allard, representing Amoco Europe; Citibanker John S. Rogers; Clefton D. Vaughan, Group Vice President, Murphy Eastern Oil Company.*

**"Citibankers... as catalysts."**
Says Citibank Vice President John S. Rogers: "In creating the largest leasing commitment ever written in the U.K., Citibankers have acted as effective catalysts."

As a leading international bank, concerned with the economic progress of the areas it serves worldwide, Citibank is pleased to share in a venture whose economic implications are matched by the ecological concern with which it is being carried forward.

**CITIBANK**
A subsidiary of Citicorp

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# GROWING OLD: A GROWING PROBLEM

BURLINGTON, Vermont—America is getting older. The number of retirement-age people gets bigger every year. And the problems that they face get tougher every year. The high cost of food, housing, hospital, medical and nursing-home care is taking a terrible toll. Poverty, despair and mental illness among the elderly are on the rise.

In three separate series, William H. Braun, staff reporter for The Burlington Free Press, a Gannett newspaper, investigated the growing problems of growing old in America—and described to the citizens of Vermont new ways to solve them.

These series showed how programs for the aging that stress prevention can be more effective than those that stress treatment. They revealed how nursing homes can be wrong for many older people because they can make them feel unwanted and abandoned, unable to make their own choices. Many of these people simply surrender to despair. Better solutions can be home health services, adult day-care centers and congregate homes, in which a small number of older people live together and make their own choices and decisions in a more home-like atmosphere.

Each series built public awareness of increasing problems for the elderly. Each drew appropriate praise from professionals in the field.

After one series concentrated on exposing problems in Vermont's community-care homes—which house the aged, mentally ill and retarded people—some homes were closed and tighter inspection programs were begun. The state began allocating more funds to aid the elderly.

All the people of Gannett take special pride in concerned journalism and community commitment like that expressed by Bill Braun and Th Burlington Free Press.

It reflects the strong commitme to excellence, professionalism and independent community service tha we all share.

At Gannett, we have a commitme to freedom in every business we're in, whether it's newspaper, TV, radio outdoor advertising, magazine, film production or public opinion researc Freedom rings throughout Gannett in news coverage, in editorial opinio in public service. From Burlington t Boise, Danville to Denver, Pensacola to Phoenix, each Gannett member serves its community in its own way.

GANNETT

A WORLD OF DIFFERENT VOICE
WHERE FREEDOM SPEAKS

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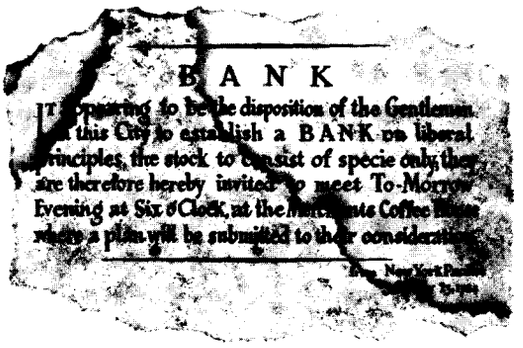


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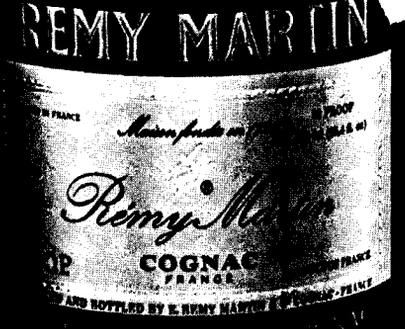


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# FOREIGN AFFAIRS

## SUMMER 1980


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## *EDITOR'S NOTE*

Individuals wishing to submit manuscripts to *Foreign Affairs* frequently inquire about the appropriate length and form of articles. This issue happens to contain extremes on both counts—an essay on colonizing outer space running to only eight pages on the one hand (Louis Halle), and on the other an extremely detailed and footnote-laden treatment of the issues surrounding nuclear power (the Lovins' and Ross). So the generic answer has to be that an article should be as long as is needed for the author to present his or her thesis in a rounded and telling manner.

At the same time, articles this short or long are to some extent exceptions to the more general norm. In the absence of the kind of special factors present in both these cases, we do suggest to our authors that original manuscripts aim roughly at a length of 5–7,000 words, include only a dozen or so footnotes where clearly required to support or explain a point, and seek to present a line of argument leading to fairly clear conclusions of an analytic or prescriptive character. Beyond that it is hard to go, although the editors confess a special partiality for writing that is both crisp and graceful, and even more for that contemporary *rara avis*, a true essay that seeks to treat of overarching themes neglected in most commentary—a recent example being Michael Howard's brilliant piece on "The Forgotten Dimensions of Strategy" in our Summer 1979 issue.

The volume of inquiries and submitted manuscripts has attained new heights in the past two to three years, a development wholly welcome albeit demanding in terms of the considered judgments and responses we seek to make for each one. Advance inquiries about the degree of interest we might have in a given topic are especially welcome and should always produce a prompt reply.

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*The articles in* FOREIGN AFFAIRS *do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* FOREIGN AFFAIRS *can do more to inform American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any articles, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear there.* The Editors.

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*Walter J. Levy*

# OIL AND THE DECLINE OF THE WEST

The year 1979 was one of grievous setbacks for the future security of the oil supply of the Western world, its economic and financial prospects, its strategic capabilities, and its political stability.

To begin with, we were completely unprepared for the collapse of the Shah's regime in Iran, even though there were many early warning signals. And our government and business community share a substantial measure of responsibility for shortsighted policies which contributed to the destabilization of the Shah's regime.

What followed in terms of oil alone should now be a familiar story. During the course of 1979, the decline in Iranian oil production was more than made up by other producing countries. And taking account of a virtually unchanged world oil demand, importing countries were able to increase their oil stocks during the year by well over one million barrels a day, more than has been achieved during recent periods. Nevertheless, a temporary decline in world oil production led to apprehensions by importing countries and their oil companies that they might be unable to cover their future needs. Accordingly, importers tried to obtain added supplies and to increase stocks at almost any cost. This, in turn, resulted in panic buying at largely uncontrolled and escalating spot oil prices.

Obviously, the Organization of Petroleum Exporting Countries (OPEC) would not maintain its official quotations at a lower level if an increasing proportion of its oil was purchased on the spot market by importing countries or companies at much higher prices. In due course, OPEC increased its official prices to more than double their previous levels. Also, OPEC countries would naturally try to sell more and more of their oil directly or through intermediaries at the higher spot prices. This would mean that the established customers for OPEC oil could only obtain smaller quantities of the oil they had previously been able to acquire directly from the producing countries. Accordingly, more and

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more companies and countries were unable to purchase oil from their former regular major oil company suppliers; instead, they were forced to turn to producing countries or trading companies to assure themselves of supplies, and they showed themselves willing to pay them practically any price that they asked for.

As early as February 1979 it was painfully clear that this state of affairs posed a massive danger for the world oil economy and that it required coordination and cooperation among importing countries and among their companies if this buying panic were to be stopped. As a minimum, the major importing countries would have had to establish a firm policy for themselves and their companies not to buy oil at above OPEC price levels; at the same time they had to be willing to establish an international and national allocation system that would assure all countries and companies an equitable share in the oil that was available at OPEC prices. Without such arrangements, higher spot prices would sooner or later be incorporated into higher official OPEC prices. This would be especially damaging because OPEC prices are not freely fluctuating market prices. Once raised, they are unlikely to come down again, because any future softness in prices would be countered by a cutback of OPEC production.

The governments of the major importing countries were, of course, aware of this problem. But either they did not really comprehend its importance or they lacked the will and leadership qualities to act. The relevant international institutions, such as the Organization for Economic Cooperation and Development (OECD) or the International Energy Agency (IEA) either felt that they did not have the constitutional power to deal with this issue, or that they would not have the support of their member governments. Industry generally opposed any course that might involve national or international official controls or interference.

While it is, of course, not certain whether any national or international arrangements, had they been made, would have succeeded, in actual fact nothing was even attempted to stem the tide of upward-spiralling prices. It would appear that most of the wounds of 1979 have been self-inflicted.

So we lived through 1979 with Iran in disarray, with the oil economy in turmoil (even though there was no overall sustained shortage), and with the Soviets invading Afghanistan. It was indeed a year illustrating the impotence of Western power and the failure of national and international leadership.

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II

While 1979 has passed, the problems it created or aggravated are going to stay with us, probably for the indefinite future. Let us first review the medium term to 1985.

With a recession accompanied by a substantial retardation in world economic growth, and with continued conservation and sustained development of energy from all available non-OPEC sources including coal and nuclear energy, it now appears that world energy requirements *could* be met *if* OPEC production, after a decline during 1980 (as compared with 1979), would then increase again and reach about the 1979 level by 1985. This would require, in effect, that political and economic conditions in the major oil-producing areas, notably the Persian Gulf, be such as to lead to sustained and increased production to such levels. It would also require the adherence by the Western nations grouped in IEA to the oil import limitation targets for 1985 and intervening years, which in turn would require greatly increased conservation and further development of indigenous energy sources.

But this is only the statistical supply and demand part of the story, and even this much depends on the doubtful and difficult conditions just stated. Moreover, even under these conditions, the financial problems of recycling petrodollars and particularly meeting the needs of the less developed countries (LDCs) are sure to take on a much more serious dimension than in the 1974–78 period. This is a conclusion universally shared today by those in positions of public or private responsibility, including members of the banking community who assessed the situation in the earlier period and believed that the private banking community could to a very great extent handle the problem. Today, however, there is solid agreement that the omens are far darker.

Specifically, at current OPEC prices and assuming future increases at even somewhat *less* than the anticipated rate of inflation (the most favorable possible assumption), OPEC countries might accumulate a surplus of about $115 billion during 1980 and of some $350 to $450 billion between 1980 and 1985. This would imply that the importing countries would suffer a corresponding balance-of-payments deficit during this period, which would have to be financed somehow by the recycling of the petrodollar surplus.

For the year 1980, the deficit of developed countries has been estimated at about $50 billion and that of less developed countries at nearly $70 billion. The foreign debt of LDCs might reach about

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$440 billion in 1981, compared with about $385 billion in 1980 and $150 billion in 1975. And with petrodollar surpluses continuing to accumulate, the financial and balance-of-payments position of oil-importing countries would deteriorate at an accelerating rate. It is most unlikely that our national and international financial system can cope with this problem without risking sustained recessions, a slow rate—if any—of economic growth, high rates of inflation, widespread unemployment, industrial and national bankruptcies, and political upheaval.

The debt problem could, of course, be solved if the values of the currencies in which the debts are incurred decline in their purchasing power to such an extent that the repayment of debts, when due, can be done at a fraction of their original value. All of this did in fact occur between 1974 and 1978, a period which has been portrayed by some as the "golden age" of petrodollar recycling.

But it seems now that the jig is up. The recycling "success" in the past was predicated on some confidence in the value of the currencies involved, on the willingness of oil-producing countries to spend ever-increasing amounts of petrodollars for national development and military purchases, and on their readiness to suffer substantial declines in the real price of oil and to accept between 1974 and 1978 the virtual disappearance of their annual petrodollar surplus.

Now the producing countries are trying to establish a policy under which oil prices will not only go up regularly in step with the rate of inflation, but also will increase on a regular basis at rates exceeding the rate of inflation by an additional amount depending on the increase in the Gross National Product (GNP) of the OECD. In short, they are seeking a regular advance in the real price of their oil. Many of them have also cut back their earlier economic development programs so that the former wild increases in annual import expenditures have recently been coming down substantially.

Furthermore, the producers are now placing even greater emphasis on increasing the value of their oil exports by adding refining, petrochemical and transport operations to their national programs. This would of course further add to the foreign-exchange burden of oil purchased by the importing countries and would thus increase the petrodollar surplus even more.

More important, perhaps, the question arises whether the producing countries would really be prepared to continue to produce

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oil at a rate that would continuously generate surplus petrodollars for them. As they are well aware, they would in effect be exchanging oil in the ground, whose value will certainly advance at least with inflation, for monetary assets whose value would tend to decline with inflation.

If, alternatively, they were to reduce their production, they would not only stretch the life of their oil reserves, but as real prices in tight oil markets are likely to increase, their revenues would go up. It is true that the world economy would suffer very badly by any resulting oil shortage, but the producing countries might argue that, at least to some extent, their loss from the world's depressed economic activity would be less than the erosion in the value of their surplus financial assets that they would suffer through inflation.

The minimum protection the producing countries could be expected to demand, if they were to continue to produce oil at levels needed by the importing countries, would be an indexation of their petrodollar accumulations in line with inflation. To take care of this problem, I have recently suggested that this might be done by making available to them inflation-indexed energy bonds that would be issued by an international agency. As any additional cost that could result from such indexation would have to be underwritten by the oil-importing countries, the financial burden on the latter might, obviously, increase.

III

Let us now turn to some of the other major problems that affect the security and availability of oil supplies.

The producing countries, having taken full control over their national oil operations, in fact do not recognize as binding supply or price arrangements even if freely concluded by them. Recently they have gone so far as to change agreed-upon prices retroactively. This, they argue, they are entitled to do under the doctrine of sovereign control by producing countries over their natural resources. Because the contracting party in the producing country is also a government-owned oil company, they contend that any change the government requests in the terms and conditions affecting crude oil production and sales would in fact constitute a sovereign act, so that the government oil company that had entered into a contract would be entitled to claim *force majeure* vis-à-vis its customers.

But, undoubtedly, the increasing unilateral application of this doctrine is also related to the ease with which the host countries

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have been able to apply it, and to the lack of opposition by the affected private or public interested parties against unilateral expropriation or the cancellation of legal and contractual rights. Because of the fear of being arbitrarily cut off from supplies, Western nations and their companies now accept within a wide range practically any economic or political terms that a producing country may impose on them. This subservience, however, rather than safeguarding the remaining rights and position of the companies, in fact encourages the host countries to continue to proceed as they see fit. We have thus entered a period in international oil of near "lawlessness" in the relationship between producing countries, the oil companies and the importing countries.

The issues are not only supply and price stability. They also include exploration and development efforts that are now exclusively dependent on policies of producing countries, which obviously are not interested in creating any surplus of supplies that might endanger OPEC prices.

Moreover, especially since 1979, producing countries have cut back the oil they supply to the major international oil companies, frequently below the level of their direct requirements. The "Internationals," therefore, can no longer provide oil supplies to third parties as in the past. More and more of the oil is sold directly (or sometimes through trading companies) by producing to importing countries. As a matter of fact, the share of the Internationals in world oil trade has declined from 78 percent in 1974 to about 44 percent in 1979, and is declining even further.

At the same time, the terms imposed by producing countries for oil supplies include more and more political and other extraneous conditions, related, for instance, to the interest of the producing countries in the Palestinian problem, or in their nuclear capabilities or in the political postures of their government customers.

Thus, oil companies no longer perform an effective independent role as a buffer in the relationship between oil-producing and oil-importing countries. They have practically no bargaining leverage with regard to any decisions affecting their operations in producing countries. Moreover, any action by OPEC on supplies or prices that would lead to a higher cost of its oil would, as OPEC is fully aware, also tend to benefit the oil companies, as their own non-OPEC production would also become more valuable.

This is at best a messy situation all around, where the producing countries can have it nearly all their way, because there are no countervailing powers they have to consider. The only question they face is whether, because of their own interest in the economic

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and political well-being of their customers, it would be prudent for them to exercise self-restraint.

This interdependence is indeed a very weak reed to lean on. It is unlikely to become a controlling factor in the decision-making process of OPEC countries as long as the various importing countries and their oil companies, in the spirit of *sauve qui peut*, are willing to go to practically any length in order to secure their individual oil supplies.

## IV

Ideally, one might perhaps have hoped that the major importing countries would have formulated an effective energy policy, and also established a coordinated approach to OPEC with regard to supply and financial problems caused by its actions. Instead, what has dominated international oil relations has been the fear of importing countries and their companies that OPEC may cut off their supplies, or impose even stiffer conditions at the slightest sign of resistance or of a common policy approach by the importing countries. The latter have acted as if they were in such a weak position that in order to obtain continued supplies they must act separately and try to gain favors by ingratiating themselves with OPEC countries by any means feasible.

This policy has been a failure. And the experience of 1979, previously described, has demonstrated how ineffectiveness resulting from fear and lack of common purpose has badly hurt the West, and in fact accelerated the disintegration and Balkanization of the world oil economy. Now again individual importing countries move in various directions, each one suspicious of the other, while pretending on the surface some desire for a unified approach.

The International Energy Agency (IEA), which was specifically established to deal with emergency supply situations, operates under terms of reference which do not allow it to deal with the actual situations as posed now or for that matter in 1979. And when its terms of reference did in fact permit it to intervene, the Agency apparently tried its utmost to avoid any actions, perhaps out of fear that OPEC might not like it.

Without going into details, it would appear that in order to cope with current problems where oil importers might be confronted by OPEC countries with extraneous or detrimental terms on supply or on pricing, the importing countries should agree among themselves on a common policy, backed up by an allocation scheme—as we had earlier suggested as the appropriate

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response to the problems of 1979.[1] Interestingly enough, Saudi Oil Minister Zaki Yamani recently suggested that the developed and developing countries should jointly adopt a scheme for the equitable distribution of world energy consumption.

Under such a scheme, all the quantities available on regular terms should be shared equitably among the various countries. It would at least reduce the fears of some countries or companies of being left out of the supply stream unless they were prepared to make special deals on basically unreasonable terms—which, when once accepted, might set the pattern for all later OPEC transactions.

However, it is clear that as a result of recent developments affecting the international oil trade, it has now become much more difficult for importing countries and their oil companies to participate in an international oil allocation program. Any allocation scheme would require some redistribution of the flow of world oil; it is predicated on a substantial degree of flexibility in the world oil supply system that had previously been assured by the dominant role of the international oil companies in controlling and directing most of the movements of oil in world trade. As mentioned earlier, this role has now been greatly reduced.

Instead, restrictions on destinations in many recent OPEC export contracts and the proliferation of direct oil supply deals between the governments of importing countries and OPEC national oil companies might deprive the importers of the necessary flexibility for the diversions of oil shipments. Moreover, the importers might well fear that if they arrange any such diversion, the producing country might cancel their oil supply arrangements. And in those cases where the consuming country has obtained oil supplies only by granting the OPEC country special political or economic advantages, it would, in any case, most likely be reluctant to make such oil available for reallocation to other countries.

There is thus a clear and present danger that recent developments in the structure of world oil trade may have undermined the basis for the emergency reallocation system of the IEA and for a self-defense program of the importing countries as suggested here.

This is a matter for urgent consideration by the governments of the importing countries. They are now confronted with a challenge to their ability to try to cope as a group with major oil supply

[1] See Walter J. Levy, "A Warning to the Oil-Importing Nations," *Fortune*, May 21, 1979, p. 48.

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shortages or with a continued deterioration of the terms under which OPEC oil is made available to them.

The importing countries might well be unable to agree on a joint policy. But if they should fail to take a common stand on protecting their freedom to reallocate purchased oil among themselves, they would in fact endanger their capacity for an effective self-defense against a loss of vital oil supplies and hence seriously jeopardize their future economic, political and strategic viability.

V

We have discussed until now mainly the supply, financial and structural threats that are confronting world oil operations. The year 1979 also brought into the open the geopolitical and internal revolutionary dangers threatening oil-producing countries. The collapse of the Shah's regime and Soviet aggression in Afghanistan illustrate the vulnerability of practically every one of the producing countries. Moreover, the Iranian revolution has brought to power an extreme orthodox Muslim movement with grave anti-Western and xenophobic policies that might, if unchecked, spread far into the whole Muslim world.

All of this turmoil is accompanied by intraregional conflicts among the various countries, with continuously shifting alliances and hostilities. There are also the on-and-off relations between several of them and the Soviet Union, ranging from treaties of friendship and massive supplies of Soviet arms to complete elimination of Soviet influence.

There is also the perennial Arab-Israeli conflict, apparently eased by the Israeli-Egyptian peace treaty, but now ominously threatened by the possible failure of the Palestinian autonomy discussions. While a resolution of these issues will not solve the problem of oil relations between the importing countries and the Middle East, the lack of a solution—or even of visible progress—might at any time lead to a conflict which could jeopardize directly or indirectly the uninterrupted flow of oil, or its terms of trade. Needless to say, so long as this problem remains a festering sore the stability of the Sadat regime and of the peace treaty with Israel might also themselves be at stake.

Finally, we face the problem of the internal stability of most of the Middle East regimes. There is very little doubt about the antiquated nature of many of them, and the inadequacy of the existing governmental structures to cope with modern economic problems and cultural stresses to which the oil-producing countries and sheikdoms are now inevitably exposed. Rapid modernization

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backed by Western governments—in part, at least, because it helps to solve the petrodollar recycling problem—and supported by Western industry through the establishment of huge and sometimes excessive industrial and infrastructure projects is bound to have an explosive effect on Middle East societies.[2]

Nobody can predict when and how the governmental, social and cultural systems in the various countries will change so that they can cope effectively with the problems that confront them; but change they will, and, more likely than not, by convulsions or revolutions rather than through a process of gradual evolution. In the meantime, these countries remain exposed to the often destructive forces of rapid economic development; of foreign education; of huge unearned wealth coupled with immense corruption that enriches a small group of rulers, their relatives and hangers-on; of a massive influx of foreign labor which will do much of the work and may well become a restless and dissatisfied underclass. And waiting at the gates are, on the one hand, the forces of Muslim orthodoxy as manifested already in Iran and in the attack on the Mosque in Mecca; and on the other hand, the subversive forces of Marxism as they attempt to spread their philosophy throughout the area through the Soviet footholds in Afghanistan, Aden and the Horn of Africa.

There are, on all sides, many parties who benefit from the maintenance of the present situation. It is difficult to prepare an objective analysis of this problem, and even more so to have it accepted or even considered by the policymakers of the oil-producing and importing countries—as the Iranian debacle so tragically and vividly demonstrated.

Minor or cosmetic reforms as they are now being planned in Iraq, Saudi Arabia, Kuwait and North Yemen are unlikely to stem this tide of internal and external instability and corrosion. Without going into details, the pervasive strength of all these forces is illustrated by the fact that 13 of the present Arab heads of state, or more than half of them, have reached power by forcibly removing their predecessors in one way or another; and in the past 15 years Arabs have fought Arabs in 12 fierce wars. This is the area on which, for better or for worse, we depend for stable oil supplies.

VI

Following the Soviet invasion of Afghanistan, President Carter announced that an attempt by any outside force to gain control

[2] See also Walter J. Levy, "The Years That the Locust Hath Eaten: Oil Policy and OPEC Development Prospects," *Foreign Affairs*, Winter 1978/79.

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of the Persian Gulf region would be regarded as an assault on the vital interests of the United States, and repelled by the use of any means necessary, including military force. This has now become the so-called Carter Doctrine.

It would appear that it was absolutely necessary to state clearly our overwhelming interest in Persian Gulf oil, on which we depend for over 30 percent of our oil imports, Western Europe for over 60 percent, and Japan for over 70 percent—and will continue to do so for many years to come. To have remained silent would certainly have been held against us by the producing countries and our Western allies—even though neither our allies nor the Persian Gulf countries have really given us their unqualified and open support once we spoke out.

But of course the Soviet threat to the area is of much longer standing: in Afghanistan the communist radicals seized power in April 1978; in the Arabian Peninsula the Soviets made earlier arrangements with communist South Yemen; and in the Horn of Africa the Soviets some time ago cooperated first with Somalia and then switched their support to Ethiopia.

To give some credibility to the Carter Doctrine, we have moved a substantial number of ships from the Sixth and Seventh Fleets into the area, denuding greatly our forces in the Mediterranean and in the Pacific. We are building up a Rapid Deployment Force and will provide in due course supporting services in terms of ships and airplanes through new supply stations in Kenya, Somalia and Oman—in addition to enlarging the base on Diego Garcia in the Indian Ocean.

With the countries in the area that are directly affected—such as Saudi Arabia, Kuwait, Iraq and Iran—our military relationship remains, however, somewhat tenuous and ambiguous. As a matter of fact, their official attitude toward the Soviet Union and the United States is more that of "a plague on both your houses." It is reflected in the Iraqi proposal for a charter for Arab neutrality in an East-West conflict, which has received support from many Arab countries.

There is also the Saudi opposition to the use of their oil production for increasing our woefully inadequate strategic stockpile, and the somewhat ambiguous statement by Crown Prince Fahd that if U.S. forces should ever invade Saudi Arabia to prevent an interruption of oil supplies, the most that can be done is to blow up the oilfields.

Furthermore, there are serious doubts as to how safely we can depend on those countries where we intend to establish supply

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stations, such as Somalia with its hostile attitude toward Ethiopia and Kenya, and Oman where everything hinges on the policy of the ruler, who has already played a very lonely game because of his support for the Camp David agreements. We know how these rulers come and go, or may change their minds. The disappointing experience with Pakistan when the Carter Administration tried to establish an effective cooperative relationship in early 1980 is indicative of the kind of problems U.S. efforts are facing nearly everywhere else.

Moreover, with the intraregional conflicts which have been rampant, and above all with the grave internal political instabilities of almost every country in the area, a political upheaval, or a foreign or locally inspired attack on regimes or oil facilities could occur at any time, even without Soviet overt or covert interference. In most instances, we will probably never know whether or not there was any Soviet direct or indirect involvement.

In actual practice, the Carter Doctrine may thus more likely than not involve us in an attempt to protect the status quo against internal upheavals or intraregional attacks. This would be a most difficult and probably impossible assignment for U.S. military forces.

Accordingly, the basis of cooperation with many of these countries, with their frequently wavering loyalties and alliances, and their often dubious or unclear motivations, may well prove to rest on feet of clay. In addition, our ability to project sufficient power into the area over distances of 6,000 miles or more against a nearby land-based superpower is limited. In any case, even if all should go well, it will take several years before the military buildup of our forces and the adequate preparation of new supply stations can be completed.

The one thing that seems to be certain is that if fighting in the Persian Gulf should erupt, the first targets that will be destroyed, either by foreign or local forces, are the vital oil facilities. Some 60 percent of Persian Gulf exports pass through three ports, with eight critical pump sites controlling the flow of oil. While the United States itself might be able to handle a sustained interruption in Gulf oil supplies through drastic belt tightening, this is emphatically not the case for Western Europe or Japan, and the very possibility of such an event is one of the major factors inhibiting the support of these nations for U.S. policy.

In short, it would appear that the Carter Doctrine, if it were ever to be tested, would of necessity mean that the United States would react against Soviet moves to control the Persian Gulf by

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military or other actions at times and places of its own choosing, but not necessarily in the Persian Gulf itself. The immediate importance of the Doctrine rests perhaps mainly in the assurance to the countries in the area that the United States is actively concerned about their fate, if the Soviets should ever attack them. Its real value is based on the hope that the Doctrine will be accepted as credible and prove to be a deterrent to the Soviet Union—and will thus never be tested.

But the Doctrine creates many more problems than those mentioned up to now. Not only are the Persian Gulf countries trying to keep any U.S. military effort at some distance, but it is also not at all certain how much support, if any, many of our NATO allies and Japan are prepared to give us—even though the loss of Persian Gulf oil would hit them much harder than us. Instead, some of them, especially the French, seem to prefer to work out for themselves and perhaps for Europe a new special political and economic relationship with the Persian Gulf oil producers. They try to obtain oil supply assurances on economic terms acceptable to them by agreeing to political and other conditions—such as on the Palestinian problem and on military and nuclear supplies—that would appeal to the producing countries.

At the same time they hope that the policy of détente can be maintained, and in due course include some understanding between Western countries and the U.S.S.R. on some kind of accommodation concerning the Persian Gulf area—even though the U.S.S.R., which is and probably will remain much less dependent on foreign oil than the Western countries, might well choose to have it all its own way.

In the light of all these factors, the effectiveness of the Carter Doctrine as a deterrent to the Soviet Union is at best uncertain. The people in the area already tend to look at it partly as a selfish attempt of the United States to protect its oil supplies, and partly as a means to keep conservative governments in power against internal or external regional opposition. And our allies, as mentioned, seem to be tempted to try to go their own way. In terms of achieving U.S. policy objectives, the Carter Doctrine might in the end prove to be as ineffective as was the Nixon Doctrine policy of the 1970s, which sought to establish regional security through a local national surrogate government such as Iran.

## VII

The medium-term prospects for the security and availability of oil and for the economic and political stability and strategic

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security of the Western world are indeed disturbing. If we now consider the longer term outlook, the picture looks equally forbidding. Not only are all the economic and political problems to which we have already referred likely to remain with us; but in addition, even by the year 2000, the massive challenge of moving from a mostly oil-based energy economy worldwide to one that can largely draw on other more amply available energy resources will probably still remain largely unresolved.

A comprehensive and authoritative projection of the overall energy picture up to the year 2000 that is currently available is the Exxon publication, *World Energy Outlook*, released in early 1980. This study postulates a very high rate of expansion of energy production from non-oil sources during this period. Specifically, it forecasts a nearly 120 percent increase over 1980 in the non-communist world's use of coal; a more than quintupling of nuclear power; a more than doubling of hydro-power including solar, geothermal, etc.; and a buildup of synthetic fuel production from coal, tar sands, and oil shale, from virtually zero to seven million barrels per day.

In addition, the Exxon projections reflect a highly successful effort in improving the efficiency of energy use. Between 1980 and 2000, the average annual growth of non-communist world Gross National Product, adjusted for inflation, is estimated at about 3.5 percent, while energy consumption is projected to grow at only 2.5 percent per annum. This reflects a substantially expanded conservation effort from the past. For example, according to Exxon statistics, between 1965 and 1973 energy use in the non-communist world grew more rapidly (5.5 percent per annum) than economic output (5.0 percent per annum).[3]

Even on such assumptions, however, the Exxon study concludes that there would remain in the year 2000 a demand for oil of 60 million barrels daily, which would be 15 percent above the 1978 demand level. Oil and gas combined would by the year 2000

[3] In the case of the United States, the change is even more dramatic. For the period between 1978 and 1990, the economic growth rate in the United States is projected at about 2.5 to 3 percent per year, while the growth in total energy demand is projected at a rate of only 0.8 percent per year. This of course reflects the high consumption of energy in the United States and the resulting possibilities for a greater degree of conservation than is possible in other industrialized countries. In the same period, for example, energy demand in Europe is projected to rise by 2 percent annually, and in Japan by 2.9 percent. For other nations than the United States, Canada, Europe and Japan, the projected growth in energy demand up to 1990 is 5.8 percent per year. The result, naturally, is a substantial progressive change in the percentages of total world energy demand by various countries and areas—with the United States dropping from 41 percent to 33 percent, and Europe from 27 percent to 26 percent, while the "other" countries increase their share from 19 percent to 28 percent. Exxon, *World Energy Outlook*, pp. 6–7, 26–31.

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contribute 86 million barrels daily oil equivalent, or 52 percent of total non-communist world energy demand as compared with 72 percent in 1978. Exxon also assumed that:

> The combined net oil exports from the Soviet Union, Eastern Europe, and the People's Republic of China to the rest of the world would remain roughly constant during the period, at 1.0 million barrels daily, with declines in availability from the Soviet Union offset by increasing amounts from China;
>
> total non-communist world oil production outside OPEC would increase by some 7 million barrels per day to 26 million barrels daily by the year 2000; and
>
> production (including natural gas liquids) still required from OPEC countries would, at 33 million barrels daily, be 10 percent above its 1978 level and amount to 55 percent of total non-communist world oil supply in the year 2000.

The average annual addition to oil reserves through new discoveries in the non-communist world, between 1980 and 2000, was projected by Exxon to range between 9 and 15 billion barrels. To assess the reserve-to-production ratio for the year 2000, let us use the figure of 12 billion barrels, the midpoint of this range. Accordingly, the reserve-to-production ratio would decline from 31 years in 1980 to roughly 20 years by the year 2000. For most of the producing countries, except for a few of the oil-rich countries, the reserve-to-production ratio by the year 2000 would be 10 years or less.

In the meantime, with a continued decline in the reserve-to-production ratio during the 20-year period, it is almost inevitable that real prices for oil would take off. The ensuing financial and economic problems could far exceed those which would be incurred between 1980 and 1985 and would—within the framework of our society and institutions—appear to be beyond our current capacity to cope. Moreover, many of the producing countries would certainly, for reasons of economic or political policy or because of physical limits set by productive capacity, reduce their production when their reserve-to-production ratio declines below a certain minimum. There is thus a "self-destruct" element in the relationship between the projected size of oil production and the economic and political consequences that it could entail.

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VIII

The question thus arises: If indeed the problems can be kept manageable, what must the importing countries do to assure their future political, economic and strategic viability?

From all that has been said so far, it would appear that the oil importers would probably need 30 years or more to create an energy economy based overwhelmingly on sources other than oil—and even this goal might not be achievable if we wished to sustain a viable rate of economic progress. During the 30 years-plus when we must surely still very much rely on oil, a large part of that oil must be obtained from the oil-rich countries of the Persian Gulf. Even in the unlikely case that within the next 10 to 15 years massive new discoveries should be made, comparable to those of the Middle East, it would take perhaps some 10 additional years before they could be fully developed.

It is thus imperative—during the period when the importing countries must procure each year more than 25 million barrels a day from OPEC producers and some additional substantial quantities from non-OPEC sources such as Mexico—that the real price of oil be kept at a manageable level. This may well mean that for some time to come prices should not increase at a much higher rate than that of inflation. The underlying concept would have to be that oil must be conceived in terms of a "common heritage of mankind" that must serve both the welfare of the producing countries and that of the importing countries.

That might well be considered to be an unrealistic utopian fantasy, especially as it would have to be based on an accommodation between oil producers and oil importers where both parties take full account of each other's vital interests. Above all it presupposes that the United States, the Soviet Union and possibly China agree on common principles that would apply to their policies affecting the area, and thus would be willing to abstain from any actions that might interfere with the maintenance or establishment of peace and tranquillity in the Middle East.

Specifically, it would require the conclusion of effective arrangements between oil-importing and producing countries on the size of needed oil exports, on a sustainable level of prices, on the planning and implementation of development programs for producing countries and on many other areas of concern to all the parties involved.

It would also imply that the threat of instability within producing countries and that of intraregional quarrels in the Middle East

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would be contained and neutralized. Within the Middle East, the Arab-Israeli conflict must be concluded, which in fact means that the autonomy issue and the Palestinian problem must be equitably resolved. But there are many other potentially explosive quarrels affecting the region—such as those centering around Lebanon; or the relationship between Iran, Iraq and other Arab countries; that of South versus North Yemen; the isolation of Egypt within the Arab world; the problems that are posed by the Libyan attitude towards its neighbors; and so on.

Within the various Middle East countries, the modernization of their political systems and of their economies must proceed without upsetting their traditional values. The new Orthodox Muslim movement, as it might be spreading from Iran, might otherwise engulf all those forces in the area that are seeking to achieve reasonable political and economic progress.

If all this were possible, we could probably solve the major problems that are related to the world's long-term dependence on Middle East oil. However, this kind of scenario does not reflect the world as it is now and is likely to be in the future; and we have not much reason to hope that the various producing countries, the importing countries, and the superpowers will ever agree on such a rational course of conduct— especially as the immediate dependence of the Soviet Union on Middle East oil is less than that of the United States and of most other Western nations.

Instead, we will probably be confronted by a series of major oil crises which might take any or all of several forms: fighting for control over oil resources among importing countries or between the superpowers; an economic-financial crisis in importing countries; regional conflicts affecting the oil-producing area; or internal revolutions or other upheavals in the Middle East. At best, it would appear that a series of future emergencies centering around oil will set back world progress for many, many years. And the world, as we know it now, will probably not be able to maintain its cohesion, nor be able to provide for the continued economic progress of its people against the onslaught of future oil shocks—with all that this might imply for the political stability of the West, its free institutions, and its internal and external security.

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*Giovanni Agnelli*

# EAST-WEST TRADE: A EUROPEAN VIEW

The United States and the whole West are facing particularly hard times. Détente between the superpowers has come to a standstill; world peace is in jeopardy, and mistakes now can be more hazardous than ever before. The time has come to speak as candidly as possible, to avoid dangerous misunderstandings among Western partners and allies.

I am a businessman, not a politician. And though I think business to be good in itself, I am fully aware that, at critical times in history, business may heavily depend on political decision-making. Today, indeed, the decision-making process involves, to an unprecedented degree, measures in the economic sphere. At all times it is necessary that this process—widened to include Japan as well as Western Europe—rest on hard fact-finding efforts, shared judgments, agreed principles and values, full consultation, and the greatest possible degree of policy coordination. But when the measures being considered are at the economic level, it is especially critical to take into account the mutual interests, structural diversities, domestic political concerns, and capacity to act and exert influence of each partner.

Thus, as a former Japanese Foreign Minister, Kiichi Miyazawa, recently put it, there is today a special "need for America to acknowledge the plurality of interests of the allies and accept its consequences. . . . The definition of the interests of the alliance on any issue has to become a collective exercise." The same is emphatically true for Europe: if the United States fails to take into account the variety of national interests and viewpoints, which are the result of economic structures and of historical realities, it will be led to misjudge the reactions of its allies. Some recent and sudden changes in American policies, as well as the inadequacy of consultations, may have made it increasingly difficult for the Europeans and Japanese to align themselves with

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America's strategies, especially when they often have little or no influence in defining and timing such strategies.

Today, the aggressive thrust of Soviet military power, the Mideast diplomatic and political turmoil, the skyrocketing prices and the scarcity of oil, the galloping worldwide inflation, and the strains on the international monetary system have drastically changed the global situation and made the economic and social position of Europe much more difficult. Yet all this is paralleled by a new widespread feeling of impotence on the part of the Western alliance in coping with the latest Mideast political events, which both Iranians and Soviets have overtly exploited to their own advantage: the former by viciously tearing down the basic principles of international relations, the latter by trying to widen, step by step, their geopolitical sphere of influence.

In part the situation involves the newly perceived importance of relations with nations once considered in the category of developing nations, a new predominance of North-South relations or, as some might say, an end of Eurocentrism. But it also involves a redefinition of the notion of détente in East-West relations—if indeed it was ever defined at all—in terms of the roles and conduct not only of the superpowers themselves but also of the Western countries allied with the United States.

In this latter area, no subject is more central, or controversial, than the policies to be followed in East-West trade relations. Europe's trade with the East now far exceeds that of the United States; yet it is the United States, not only the present Administration but its predecessors, that has pressed for a forceful approach linked to political developments. The need for understanding and coordination is acute.

I shall approach this subject using recent history as frame of reference. This subject has been indeed the center of a hot debate which has not stopped to this day, creating diverging views inside the United States itself. I then propose to sketch briefly the opportunities and problems created by East-West trade. I shall finally try to draw some general conclusions. These notes are motivated by the desire to share my views and experience as a European industrialist who is deeply committed, as a citizen of the West, to the improvement of relations between America and its Western partners, for the sake of our common democratic values, the preservation of peace and for the common good as well.

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II

Debate on the advantages and dangers of trade with Russia is indeed a perennial issue, which even predates the establishment of Soviet power. According to George Kennan, "it was a serious problem as early as the days of the Grand Duchy of Muscovy." In the sixteenth century, when great quantities of English goods were being sold to the Russian foreign trade monopoly of the day at the mouth of the Narva River, a Polish warning to Elizabethan England read: "We know and feel of a surety that the Muscovite, enemy to all liberty under the heavens, is daily growing mighty by the increase of such things as he brought to the Narva . . . by means whereof he maketh himself strong to vanquish all others." In the days of the second Elizabeth, the governments of the United Kingdom and of the United States have been using the same arguments in order to advise restraint in the sale of "advanced technology" to the U.S.S.R.

The creation of the Soviet state, and its reluctant recognition by the capitalist nations (last of all the United States), gave the debate new impetus. In 1920, Mr. Lloyd George felt that having failed "to restore Russia to sanity by force," the West might "save her by trade," which, in his opinion, would "bring an end to the ferocity, the rapine and the crudity of Bolshevism surer than any other method." Opponents of such trade could, however, quote, against Mr. Lloyd George's views, statements by the Soviet leaders which are remembered to this day, like the declaration made in March 1921 by L. B. Kamenev, Deputy Chairman of the central Soviet government:

> We are convinced that the foreign capitalists, who will be obliged to work on the terms we offer them, will dig their own grave. . . . Foreign capital will fulfill the role Marx predicted for it. . . . With every additional shovel of coal, with every additional load of oil that we in Russia obtain through the help of foreign technique, capital will be digging its own grave.[1]

This statement, by the way, was being made in order to reassure the Soviet hard-liners, who feared that trade with the West might "contaminate" the new communist society. Not so, Lenin said; on the contrary, capitalists would even sell communists the rope with which to hang themselves.

Whether trade with the West will strengthen communism and make it more lethal, as Lenin and friends seemed to believe, or

[1] Quoted in George F. Kennan, *Russia and the West Under Lenin and Stalin*, Boston: Little, Brown, 1961, p. 187.

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whether it will make it "saner" and more peaceful, as Lloyd George hoped, is a question which, to this day, has not been settled to everybody's satisfaction. The issue took on fresh importance after World War II, when the Soviet Union came to be perceived as threatening to all its neighbors including Western Europe. At the same time, the Soviets themselves concentrated on making themselves as nearly self-sufficient as possible, especially in areas related to military power, and for years their ability to pay for imports through the export of needed goods or raw materials was limited, along with their willingness to borrow—while the West for its part regarded the Soviet Union and Eastern Europe as doubtful business partners and retained an underlying fear that trade might indeed increase Soviet military strength.

In the past 20 years, and especially in the past decade, the situation has changed drastically, both in political and economic terms. In Europe at least, the end of the Berlin crisis in 1962 brought with it at least a relaxation of the cold war, and the term passed from use entirely in 1971–72, with the advent of what we now call détente. Thus, limitations and controls on Western exports to the Soviet Union were gradually lowered, while in the 1970s the Soviet Union showed itself able to export much increased quantities of raw materials and also of oil and methane gas—and, along with the East European countries, more willing to enter into credit arrangements with the West.

In Europe, the new possibilities of trade and investment thus opened up were accepted with general approval, not only in the business community but in government and indeed throughout European societies. In the United States, on the other hand, there continued to be a heated and complex confrontation of sharply differing opinions. While the business community was generally favorable to the expansion of trade, many trade unions were opposed or skeptical, and there were others who continued to fear that the West might simply add to Soviet power.

The American government itself was divided between supporters, mostly in the economic and State Departments, and skeptics, mostly in the White House. Former Secretary of State Kissinger has given an interesting account of those debates.[2] In his memoirs he tells us that, when the Nixon Administration came into office, the traditional restrictions on America's trade with the U.S.S.R. were being widely criticized: liberal opinion regarded them as "archaisms of the Cold War." President Johnson himself had

[2] Henry Kissinger, *White House Years*, Boston: Little, Brown, 1979, pp. 150–155.

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announced, in October 1966, a shift from "the narrow concept of co-existence to the broader vision of peaceful engagement," which was expressed in a series of minor liberalizing measures on trade and credits. Even during the Nixon years, the prevalent theory of the Administration was that we should move from an era of confrontation into an era of negotiation and even cooperation.

But, while the State Department generally favored liberalization on the ground that "it would improve the political atmosphere" and the Commerce Department favored it in answer to the demands of the American business community, the White House held the view that "given Soviet needs, expanding trade without a political quid pro quo was a gift." This was the so-called linkage theory. "Our strategy," Mr. Kissinger states, "was to use trade concessions as a political instrument, withholding them when Soviet conduct was adventurous, and granting them in measured doses when the Soviets behaved cooperatively."

With the development of détente, in fact, especially after the Moscow agreements of 1972, in spite of "the White House's determination to have trade follow political progress and not precede it," Washington seemed to have accepted the view that by creating relations of "interdependence," pressure groups would develop on both sides that would make détente and cooperation between the superpowers more secure, especially in a time of crisis. Yet there always were enough contradictions and uncertainties about the exact meaning of détente to make it rather difficult to obtain universal agreement on the connections between détente itself and the strengthening of trade relations.

In any event, whereas Mr. Kissinger intended only to link the level of U.S.-Soviet trade to the overall state of relations, i.e., to Soviet external behavior, the U.S. Congress in late 1972 began to exert pressure for a link to Soviet policy on emigration, a matter clearly regarded by the Soviet leaders as domestic. This "far more ambitious form of linkage," as Mr. Kissinger rightly describes it in his memoirs,[3] culminated in the Jackson-Vanik and Stevenson Amendments of 1974, putting emigration conditions on most-favored-nation tariff treatment and limiting American official credits, with the result that the Soviet leaders refused to go through with the trade agreements that had been a major feature of the original détente agreements of 1972.

Thus, there were domestic political factors that limited the growth of U.S.-Soviet trade, although the policy of détente was

[3] *Ibid.*, p. 1272.

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pursued in the 1960s and 1970s with equal conviction by Europe, Japan and successive American administrations. In addition, there are practical conditions that tend to limit American trade with the Soviet Union.

The United States and the U.S.S.R. are both economic areas of continental size. They have a wealth of raw material and energy resources, low population density, a high level of economic self-sufficiency. Foreign trade represents a much larger proportion of the gross national product (GNP) for the European nations than for America and the Soviet Union. Europe's and Japan's need for primary commodities and energy resources, together with the Soviet Union's need for manufactures and advanced technology, creates conditions of "complementarity" among these economies which do not exist to the same degree between the American and Soviet economies.

Whatever the balance among political and economic causes, in practical terms the growth of trade links was far greater among the Western "middle powers," particularly Germany, Japan, Italy and France, and the Soviet Union. Trade between the superpowers grew much more slowly.

The following table will better clarify the current mutual relationship:[4]

| | *USA* | *EEC* | *U.S.S.R.* | *OTHER EAST EUROPEAN COUNTRIES* |
|---|---|---|---|---|
| GNP (in billions of dollars) | 2108.0 | 1950.0 | 1254 | 384 |
| Total export | 144.0 | 462.0 | 52 | 64 |
| Total import | 183.0 | 463.0 | 51 | 71 |
| Export to COMECON | 7.0 | 17.0 | — | — |
| Import from COMECON | 1.5 | 16.0 | — | — |
| Export to Western countries[5] | — | — | 13 | 15 |
| Import from Western countries | — | — | 16 | 22 |

The above figures show how heavily EEC countries depend on foreign trade and to what extent East European countries depend on the West, more than the Soviet Union itself. They also show a structural trade deficit, which becomes much greater in the overall

[4] *Handbook of Economic Statistics 1979*, Washington: National Foreign Assessment Center (CIA), August 1979, pp. 10, 83, 99, 106, 107.

[5] The term "Western countries" was used by the compilers of these figures to include the members of the Organization for Economic Cooperation and Development (OECD), less Turkey but with the additions of Israel and South Africa. The share of these last two countries in East-West trade is of course minimal.

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balance of payments because of the indebtedness charges.

III

In addition to this basic quantitative difference, there developed important differences both in the character of the goods traded between the Soviet bloc countries and Western Europe, on the one hand, and these countries and the United States, on the other, and also on the extent to which Western Europe and the United States entered into deals by which the West supplied capital and technology for new industrial enterprises and received in return a portion of the output of these enterprises.

If one looks at the inner export structure of Western Europe's trade with the bloc, we can see that European Economic Community exports to East European countries (including the U.S.S.R.) consist of 88 percent machinery and other industrial goods, the remainder being food. Imports from the East cover only 8 percent machinery, and 17 percent semifinished goods, the remainder being oil, methane gas and raw materials. In particular, imports from the Soviet Union show a still greater prevalence of fuel, oil and raw materials.

This trend has increased in the last few years. In fact, Soviet exports of energy to Europe have grown remarkably. In the EEC, imports from the Soviet bloc in coal, oil and gas amount to between five and six percent of the EEC's total primary energy consumption. It is worth noting that the import-export mix has remained almost unchanged during the last decade, with the periodic floatings linked to Russian imports of grain. Once again a high degree of complementarity between the European economy and the socialist economy becomes evident.

The current high unreliability of energy supply from traditional Middle East sources gives greater relative importance to "marginal" supplies from the Soviet Union, even though the Soviet Union, too, is potentially unreliable. This is a condition of structural vulnerability which cannot be quickly modified.

Moreover, business in Western Europe was much more prepared than American business to enter into technology-for-output deals. Such deals are an interesting phenomenon which started with the Eastern countries, particularly eager to cooperate with Europe, either because they lacked the financial means to pay for industrial technologies, or because they could partly compensate for the stiff division of labor imposed by the Soviet Union inside the COMECON countries. Today, even the Soviet Union does not hide its interest

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in this type of approach to trade. Its motivations may be different. The Soviet Union, in fact, is industrially self-sufficient, very close to having a trade balance surplus and, of course, it even benefits from a major gold output.

As a matter of fact, in Eastern countries today, we can build up joint ventures with a minority participation of Western capital investment and, recently, in Bulgaria, even with a majority participation. These facts show a certain adjustment to Western patterns, considering that we are dealing with East European countries. To date, these countries have been punctilious in honoring their contracts. Yet, of course, no one could expect any deeper degree of production integration, at this time.

In addition, an important and convenient business for Western countries developed whenever they could get methane gas in payment for the installation of gas pipelines connecting Eastern countries with each other and, later, with Western Europe.

Why was American business, or in some cases the American government, reluctant to have the United States, with its highly appreciated know-how and technology, enter into similar deals? Obviously, the holding back was on the American side, again related to a generalized concern lest trade and the furnishing of advanced technology contribute to Soviet military power, and on occasion due to specific political concerns, in effect a form of "linkage." The ground was therefore clear for large West European involvement in the construction of industrial plants such as the Togliattigrad car manufacturing facility.

One particular example of the impact of political considerations was the decision of the United States and Japan not to cooperate with the Soviet Union in the development of the large potential oil and gas fields of Eastern Siberia, especially in the Yakutsk area. This "Siberian deal" hung fire through the mid-1970s, but was finally allowed to lapse, apparently in part lest it disturb the development of stronger political and economic ties with China, but in large part also because of security concerns that expanded oil and gas output might increase the military potential of the Soviet Union.

It would be inappropriate for me to criticize the American position on these matters, but I do believe that time has shown that the Siberian deal would have been, on balance, wise from the standpoint of American interests as well as those of the West in general. Specifically, had it gone through there would be less pressure today by the Soviet Union for access, through peaceful or not so peaceful means, to the oil of the Middle East. Obviously,

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that enterprise involved great risks, both political or economic, due to the dozen billions of dollars to be invested in the project. The Russians, who are good at long-term planning, but not very good appraisers of short-term targets, were certainly right in foreseeing the future scarcity of energy both for themselves and the COMECON countries. The political will of the West should have prevailed over myopic economic considerations, such as an assumed collapse of international oil prices. Today's world tension perhaps would not overwhelmingly concentrate on the Persian Gulf, which ever since Mohammed has been an area of instability.

My conviction is that the failure of the "Siberian deal" was a great opportunity lost to world peace. There was danger, of course, of creating a simultaneous greater dependence of the West on Soviet energy resources. But this fact would have balanced off the intense, almost exclusive relation with the Middle East.

Finally, because both trade and investment opportunities in the Soviet Union and Eastern Europe were picked up far more by West European (and to some extent Japanese) business than by American business, the great bulk of the necessary financing was arranged in Europe and under European management, albeit with extensive private American participation.

Was this growth in East-West trade, including both scale and characteristics, good or bad? In Europe, businessmen are convinced that the proposition that trade and business relations, on a worldwide scale, are a good thing holds true equally for relations with the East. The fact that this is the universal view of business leaders and people involved must have some weight. Business with the East is usually good business, for reasons which are related to its own special characteristics. Even if intense inter-Western competition, against a monopolistic buyer, may sometimes reduce profit margins to narrow limits, the very size of the "buyer," as well as the size of the deals this gigantic buyer may offer, make these relations rather unique.

Mr. Piero Savoretti, one of the leading European operators in this field, estimates that almost all deals concluded by his trade company in recent years with the Soviet Union produced, as a result, the construction of huge factories or the incredible expansion of already existing facilities. The most important of these deals has been the Togliattigrad car factory.

When dealing with a unique social and economic entity such as the Soviet Union—generally rich, yet characterized by uneven levels of development in different areas—the Western seller may use technology which has already been developed for his own

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uses; or he may, if the size of the deal justifies it, experiment on a grander scale on new technology, which he will then find useful at home. For some Western producers (including American grain producers), the Soviet Union, and sometimes also the East European client-nation, can be the only client in his category, as far as the size of possible deals is concerned.

Although the Eastern buyer is usually considered "a hard customer," who is quite aware of his "monopsonic" powers, he is as often considered a reliable customer. He may ask for easy credit on a large scale and accumulate debts. This applies more to East European countries than to the Soviet Union. In fact the Soviet balance of trade is fundamentally sound, due to that country's great wealth in rare minerals and energy resources. The U.S.S.R. is also thought to be a reliable partner in its payments, one that may pay in gold when necessary. Of course, a special strength is attached to this condition: the debtor has a certain hold on his creditor.

In fact the indebtedness of East European countries is today in the order of over $66 billion, half of which is covered by government-insured export credits. Barring an impending war menace, one can hardly believe that credit services can be cut off abruptly. For those countries, that would mean an interruption of imports of products and equipment which are essential to ensure the continued operation of the Western technological capital investment underway.

A payment failure—should it hypothetically occur—would affect not only government expenses but also the Eurodollar market. In fact the amount of money involved is relatively small, yet its impact on the highly sophisticated mechanism of such a market would be substantial. The outcome is that certain banks are likely to be badly hit, triggering as a consequence a chain reaction. In a situation of this kind, the institution of a supernational body would be needed to avoid a potentially more serious crisis for the international banking system.

Nevertheless, the special conditions of East-West trade do not contradict the unanimous opinion of people involved who say that "this is good business." It is good for the Soviet Union as well. But trade is not supposed to be a "zero-sum game," rather an activity profitable and agreeable to both sides. Trade relations which are profitable only to one side, and damaging to the other, would not last long.

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IV

If this is a fair summary of the way East-West trade has evolved, and of the prevailing European view of its economic merits, there still remains the original question of its political impact. Here I must frankly state my personal view. Based on my direct experience in this field and concrete knowledge of facts and people concerned, I believe that, on the whole and within certain limits, trade does indeed encourage the growth, inside Soviet society, of forces and views naturally oriented toward the pursuit of more peaceful relations with the rest of the world. It is not so difficult to identify, in the Soviet hierarchy of power, those economic and technocratic groups which are in favor of strengthening ties with the West for economic reasons, in order to develop Soviet technology and, in general, to compensate for Soviet economic failures and backwardness. If these people and groups have a certain influence on Soviet policy—and they presumably do have one—theirs is bound to be an influence for détente and peace, rather than for actions leading to a "cold war" atmosphere.

Along with this pressure the Soviet Union is experiencing a certain "dissent" which may be effective in the context we are discussing. This is not an anti-Soviet movement, but rather a grass roots force that strives to introduce within the Soviet regime a greater sensitivity for an economy management resting on economic evaluations rather than on the rigid planning of the bureaucratic military system. We must carefully avoid stifling the emergence of such new forces. Trade restrictions would cause serious problems for them.

As for the COMECON countries, their reliance on trade and "détente" relations with the West is frequently linked with their aspiration for greater autonomy from the U.S.S.R. I think such relations (more trade, more freedom, or a growing degree of self-determination, at least in business) are evident and should not be discouraged.

I would like to present one more point in favor of trade. Should the final result of growth in East-West trade be a noticeable improvement in the living standard of the Russian people, that in my opinion would be good for Western interests. Any time I go to Moscow and see cars in the streets—not just official cars, but private cars in increasing number—I can't help seeing an evident relation between freedom of moving around and political freedom, or, at least, a growing desire for it.

In conclusion, a "better off" Soviet Union will have additional

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reasons not to risk its new affluence in a confrontation with the West, and it could be more easily liberalized. The breakup of East-West economic relations would weaken those political forces which are supporting détente and cooperation. The Soviet "hawks" would be strengthened in their expansionistic policies, as the only remedy for the economic problems of the Soviet Union: arms, rather than trade, would have to be chosen as an instrument to achieve the great ideological ambition of the Soviet Union.

V

Let me consider now some of the main arguments against East-West trade. It is difficult to believe that the great expansion of Soviet military power is really conditioned by East-West trade. To the contrary, such trade is the result of choices and decisions which can be independently pursued by the Soviet leadership, and for which that leadership can command adequate resources from inside the Soviet territory. It is impossible to prove—with the exclusion of a few high-technology areas—that East-West trade adds more to Soviet power than it contributes to the well-being of the Western economies.

It has been claimed that, without the support of Western food and technology, the Soviets would be forced to divert essential skills and resources from the production of armaments. That is hard to believe. The political control of Soviet society by the communist system is such that it surely can concentrate on armaments production as much strength as it considers necessary to achieve its aims. This was the case during the past decades when the level of available resources—and the living standards of the Soviet people—were immeasurably lower than they are now. The Stalinist regime was the dreadful outcome of such hard times. Today's conditions are sharply different. Yet the structural over-power of the Soviet bureaucratic and military system does not seem to have changed. To some extent, it automatically produces the required concentration of human and material resources in high-priority areas, within the fundamental aims of a global strategy determined by the system itself. To blame East-West trade for the increase in Soviet power during the last decade or so is therefore unrealistic. It is especially so when considering how small these exchanges are if compared with the size of the Soviet economy. In fact, the latest data available show that the total Western trade (including American) with the U.S.S.R., in 1978, is no higher than 1.4 percent of estimated Soviet GNP.

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Finally, one should not forget that a net separation still exists between the "civil" and "military" sectors of the Soviet economy. The Soviet leadership, being well aware of the inadequacies of its economic system, makes quite sure that the "military" sector remains independent of developments in the "civil" sector of the economy. They have concentrated there the very best of their technicians and scientists with a system that rewards only the people engaged in that sector. This structure allows for, and explains, the high rate of innovation in the weapons industry and, vice versa, the slow transferring of innovations in the civil segment of industry.

Soviet technological developments in the "military" field, including, for instance, space research, have not lagged behind Western developments, and have occasionally taken the lead, quite aside from the level of East-West trade. From Sputnik onward, the experience of the last two or three decades is there to prove it.

Yet experts and Western governments still think that a certain number of high-technology products—such as electronic equipment and miniaturization—must be excluded from East-West trade, because they have a recognizable strategic value, being directly usable for arms production. Western governments have agreed on lists of "forbidden" goods, which vary from time to time. I happen to believe this policy is correct, insofar as these lists are kept under constant review and these prohibitions can in fact be rigorously enforced. It represents, in fact, a "safety rule" that it is definitely advisable to enforce independently from other and different evaluations of the overall problem.

In the last analysis, the question is one of judgment. If the West were to refuse to build plants in the U.S.S.R. or to supply the technology and machinery to make them workable, would the result be that a number of the most skilled Soviet technicians would have to be diverted from military work in order to meet the minimum demands of the Soviet people? This seems to be the conclusion of much American argument. To me it seems dubious. I am concerned that the result might be, instead, not only a cooling of official relations and a tendency to return to an irrevocable cold war mentality on both sides but, within the Soviet economy, a belt-tightening and partial return to the Stalinist era, justified to the Russian people by the demonstrated hostility of the West.

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VI

But could East-West trade be used to influence and condition Soviet policies? This is the assumption on which the Kissinger "linkage" theory was obviously based, on the premise that the Soviets are more interested than the West in economic relations and, therefore, can be made to pay for trade deals in that delicate currency called "political good behavior." It is also the apparent assumption behind the measures taken by the Carter Administration in response to the Soviet occupation of Afghanistan, including the cancellation of grain exports (above the annual levels guaranteed in the 1975 agreement on this subject), the tightening of agreed export controls in military-related areas, and, in addition, the attempt to limit all forms of technology-bearing exports. The Carter Administration has asked its NATO allies to join in all three of these measures, and there has in fact been a high level of agreement on the first two—Europe is not replacing the denied American grain (though Argentina, alas, may have done so to a very great extent, and to the tune of greatly increased ties to the U.S.S.R.), and tightened controls on military-related items seem to be on the way to being accepted.

But the attempt to limit technology-bearing exports has not met with a similar favorable response, leading to the suspicion that there may even be a converse premise—that Europe, at least, is more interested in East-West trade than the Soviet Union, so that the Soviet leaders are in a position to demand from West European nations their own form of "political good behavior." In its extreme form, the fear is expressed that Western Europe may become—or perhaps has already become—"Finlandized," which presumably means not objecting to Soviet political or military actions no matter how threatening.

I believe the situation is not as simple as either of these two premises would suggest. I know of no instance in which the behavior of the parties involved could be taken as proof that there really was any sign of political-economic dependence of one on the other. We cannot presume that we could have the other side in our power by withholding Western trade. As a matter of fact, Mr. Kissinger's "linkage" theory never worked because political and economic interdependencies are much more complex, and the linkage, to be effective, calls for a much longer time span than is available in an emergency. The Soviet Union almost certainly cannot be induced to moderate its external behavior by the withholding of trade by the West, or at least will not do so in any

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case where it believes it is protecting or advancing major Soviet interests.

But, on the other hand, we are no "addicts" of East-West trade relations. Western Europe is not so dependent on East-West trade that it could be forced to sacrifice any vital interest—obvious examples would be a direct Soviet threat to European borders or European nations outside the Iron Curtain—just to maintain trade with the East.

Yet there can be no question that Western European nations view the issue of reducing or cutting off trade with the East with substantially greater concerns than are felt in the United States for the impact on their own societies. I have already mentioned the fact that significant energy supplies are now imported by Western Europe from the Soviet Union. More broadly, though this type of calculation has a large margin of uncertainty, it is estimated that about 300,000 jobs in Europe are directly dependent on trade with the Eastern bloc. And indirect jobs of course are far higher. It should not be difficult for America (although it apparently is) to understand that a cut in the level of trade relations with the Soviet bloc is, in economic and social terms, much more costly for Europe than for America itself. Although the amount of trade between the European Community and the COMECON countries is fairly modest and would seem therefore not likely to produce serious consequences should that amount be sharply reduced or eliminated, the cut will be mainly concentrated in particular segments of the mechanical industry, with much more sizable negative effects. Actually, the real damage suffered would be much greater: the "cost and benefit" assessment of such a strategy is therefore bound to have quite different results for America than it has for its allies. This fact ought to be taken into consideration before, rather than after, sudden changes in policy are decided by the American Administration.

Thus, one can easily understand that the adequacy of the instrument of economic retaliations against Soviet misdeeds, as compared with other possible actions, is bound to appear quite different to the minds of American and European decision-makers. Of course, all this does not deal with matters of loyalty. Rather, it deals with different realities and perceptions which seem not to be taken adequately into acount. It is very difficult for the instrument of economic retaliation to work, especially over short terms, unless the party one wants to hit is in a condition of particular weakness. It is even more difficult whenever the retaliating party is itself badly hit, not only in terms of jobs, energy

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supplies, and similar tangible elements, but in terms of the very large human stake that one country in particular, the Federal Republic of Germany, has in the continuation of an Ostpolitik that has made a tremendous difference to communication and movement among the German people as a whole.

In short, even as Western Europe has greater trade ties than the United States with the Soviet Union and other East European countries, so it necessarily takes far more seriously the impact of any impairment of those ties.

But by the same token Europeans may have a greater "feel" for what trade with the West is doing, in the long run, to the attitudes and felt desires not only of the Soviet people but of Soviet leaders. The conviction that over the long run the influence in these key respects is a positive one could, of course, yield if the Soviet Union took an action such as I have suggested above. Afghanistan may have brought us all very close to that point, but most Europeans are not yet persuaded that it has been reached.

VII

Let me try to sum up a few principles which, in my view, should guide Western policies in the field of East-West trade. This outline is meant as a contribution to a debate which ought to be urgently undertaken in both governmental and non-governmental circles.

1. Trade, according to Western values and culture, is, in itself, a good thing, and we should pursue it with the Eastern bloc as well, unless there are compelling reasons to the contrary.

2. The idea that Soviet global or domestic policies can be modified and improved through trade "linkage" has been proved unrealistic. One cannot reduce the expansionist impact of Soviet policies by withholding trade. On the contrary, one might even increase it.

3. The claim that Soviet policies will become more moderate and peaceful as a result of a higher level of trade and economic interdependence with the West is also beyond proof. Yet, experience tells us that the growth of trade strengthens forces and individuals inside Soviet society which are recognizably committed to détente with the West and to peaceful policies.

4. The danger that economic interdependence may bring about the "Finlandization" of Europe and the West remains, for the time being, purely a theoretical possibility, not a reality. The true danger of "Finlandization" was actually removed when Western Europe became a powerful economic community, strongly embedded into the fabric of international trade.

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Of course, it is of paramount importance to have a comprehensive vision of needs and problems of *all* partners of the Western alliance to ensure that none of them will ever fall into some sort of dependence on the Soviet bloc. In the field of energy or rare raw materials, for instance, it is dramatically important that common policies be agreed upon in order to reduce Western dependence on any single source of such vital resources. The present overall levels of trade with the East are far from making our economies, with their wide variety of world trade relations, dangerously dependent on Eastern trade. The "safety limits" of trade with the Eastern countries have not been reached, so far. But businessmen feel the urgent need for a multilateral body capable of determining when those "safety limits" may be dangerously close.

5. A certain number of well-defined areas of strategic importance ought to be excluded from East-West trade, in order to deprive the other side of goods which could be used for military purposes.

6. A distinction should be made between trade with the Soviet Union and trade with the Eastern bloc countries. Some of the political arguments being currently advanced in the West against excessive dependence of our economies on trade with the Soviet Union could be used in favor of an increasing level of trade between some of the Soviet Union's European allies and the West. Should two separate sets of rules be devised?

7. Any strategy agreed upon in the matter of trade with the Soviet bloc must either be a common policy for all Western countries, or it will be no policy at all. If the rules of the game are not respected by all (the present rules very often are not), no policy will prove workable. (For example, it is known that the recent Paris agreements on government-assisted credit aids have been overtly violated by some countries just a few hours after the signature.)

8. In view of the different relative importance of trade with the Soviet bloc for Western countries, it is not advisable that policy changes be decided unilaterally by any single member of the Western alliance, without prior consultation and agreement among all nations concerned. At present, the political instruments for achieving this new kind of coordinated policies do not seem to exist. It is unthinkable that it is just up to the businessmen to fill up such a vacuum.

9. Unilateral actions of any kind, creating a fait accompli and facing others with an apparent choice between "loyalty" and

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"vital interest," are dangerous for the unity of the Western alliance. The lack of a comprehensive Western strategy today is evident: so long as the situation remains so, the prime beneficiary will be the U.S.S.R. Necessary rules should be established that take into account the relative exposures to risks of the individual members, both in economic and political terms.

Businessmen cannot be expected to define such strategies. They can only be asked, in a well-ordered democratic society, to pursue proper economic aims and to respect guidances agreed upon by governments. These governments must, however, take into account the principle of equality of opportunity for all, and recognize the values of a free-market economy.

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*Max Jakobson*

# SUBSTANCE AND APPEARANCE: FINLAND

As history is written by the victors, so is the agenda of world politics dictated by the powerful. The themes and priorities of the international debate are set by a handful of politicians, officials, editors and scholars in half a dozen capitals: a form of cultural imperialism which is not rendered any less effective by its being unintended. The view of the world underlying influential analyses of international relations reflects primarily the interests and aspirations of the great powers. Smaller nations are treated as objects of policy, statistical units in categories of states classified in terms of their relationship to their respective protectors or oppressors, as ours and theirs—pawns to be gained or lost in the conflicts or deals between the great powers.

In the case of my own country, Finland, the difficulty of gaining recognition and understanding on her own terms, as an autonomous actor rather than a function of the policies of others, is compounded by the language curtain that conceals the innermost life of the Finnish people from outsiders. Few foreign diplomats, journalists or scholars know Finnish, and only a fraction of the texts needed for a comprehensive understanding of the past and present of the Finnish people is available in other languages. Much of the information about Finland available to foreigners is secondhand and second-rate. Since Finland on the whole has been successful in her efforts to keep out of the quarrels between the great powers, there has been no incentive for those who make policy or influence opinion in the leading capitals of the world to follow Finnish affairs; their knowledge about the country tends to be superficial and fragmentary.

As a result, Finland is forever at the mercy of the itinerant columnist who after lunch and cocktails in Helsinki is ready to

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pronounce himself upon the fate of the Finnish people. A person visiting, say, London for the first time, who does not know English and has only a vague notion of the significance of Dunkirk or the role of Winston Churchill, would hardly be regarded as qualified to comment on the British scene today. An equally profound ignorance about Finland is no deterrent. Obsessed as they usually are with one single aspect of the Finnish situation, relations with the Soviet Union, visitors from the West almost invariably produce a one-dimensional view of the country, corresponding to the current state of Western relations with the Soviet Union. Thus, in 1939–40, the Finns were idolized for their resistance against the Red Army; in 1941–44, ostracized for continuing to fight the Russians; at the end of the Second World War, castigated for their failure to heed Western advice to trust Moscow; in 1948, written off as lost for signing a treaty with the Soviet Union; and finally, at the present time, they are subjected to a kind of character assassination through the use of the term "Finlandization" to denote supine submission to Soviet domination.

Is it possible that the Finnish people have resigned themselves to giving away what they were willing to die for during the last war? Or is the truth rather that the purpose of Finnish policy throughout these decades has remained steady, while the means employed to maintain the independence and way of life of the nation have varied in accordance with changing circumstances beyond Finnish control?

For an answer we must look back briefly to what happened 40 years ago, for without knowledge of the elementary historical facts concerning Finland's role in the Second World War it is not possible to understand her present situation.

II

In October 1939 the Finnish government was invited to send a delegation to Moscow to discuss "concrete political questions." Stalin himself explained to the Finns what these were. He said he needed more depth for the defense of Leningrad and this could be obtained only at the expense of Finland. The Finnish border had to be moved farther north from the city and the Soviet Navy had to have a base on the southern coast of Finland close to Helsinki.

Stalin's demands were made in the shadow of his agreement with Hitler giving the Soviet government a free hand in the eastern part of the Baltic. The three Baltic states had already given in to similar Soviet demands. Berlin advised the Finns to do the same. Stockholm told them not to expect military aid from

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Sweden. London and Paris were uninterested, and Washington remained neutral. The Finnish leaders knew they stood alone, and they agreed to give up some territory north of Leningrad. But they refused to yield the base Stalin asked for, fearing that it might be used to subvert Finnish independence.

On this issue the talks in Moscow broke down, and at the end of November 1939 Stalin launched his attack. For a hundred winter days the Finns held out, but in the end they had to make peace on terms that appeared to be worse than the ones they had rejected before the attack.

A trivial tale in the context of world history: throughout the ages bloody skirmishes have been fought along the edges of empires. In the vast drama of the Second World War, the Soviet-Finnish conflict was merely an incident within an episode, a local Soviet campaign to move by force a recalcitrant pawn into the square assigned to it in the deal between Stalin and Hitler. The spotlight quickly moved on to new campaigns, fresh tragedies; Finland once again sank below the news horizon of the international media. It was generally assumed that the Finns had shared the fate of the other nations of Eastern Europe.

As a result, the survival of Finland after the Second World War was regarded in the West with the embarrassed disbelief with which families sometimes greet the return of a soldier who has been reported missing in battle and presumed dead. The continued existence of a small independent state, a Western democracy, next door to the Soviet Union, maintaining its freedom not in a state of permanent confrontation but in apparent harmony with its communist neighbor, ran counter to the conventional wisdom with regard to Soviet aims. According to British Cabinet documents recently released, Ernest Bevin, then Foreign Secretary, warned in 1948 that Moscow was planning "physical control of the Eurasian land mass and eventual control of the world: no less a thing than that." How then could Finland maintain her freedom without the benefit of Western military protection? Finnish independence had to be illusory, or a ruse to deceive and confuse the West; at best an anomaly which sooner or later—sooner rather than later—would be put right.

Even today, more than 30 years later, this view underlies much of Western comment on Finland. As none of the usual clichés or labels of international politics quite fits the Finnish case, it is called an "exception." But an exception to what? The term implies that Finland somehow has evaded her predetermined place in the natural scheme of things. That is why many observers devote their

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analysis of the Finnish situation to a search for the reason why it is not different. Such an approach is bound to lead astray. The pattern from which Finland is believed to have deviated is constructed from the course of events in countries with which Finland never has had much in common. No wonder some Western writers continue to keep alive the myth that Finland's survival was the result of Stalin's sentimental attachment to the place where he had met Lenin for the first time!

The truth is that Stalin twice made a serious effort to crush Finland. The first was of course the Winter War. As the Red Army invaded Finland in 1939, Stalin set up a puppet government composed of Finnish communists living in exile to take over power in Finland: a clear signal of his intention to conquer the country. Apparently he believed in a quick and easy victory. So did the rest of the world. But as the Soviet offensive was stopped all along the long frontier, the situation was reassessed both in Moscow and in the Western capitals. Britain and France began making plans to use aiding Finland as a pretext for an attempt to seize Narvik and the Swedish iron ore mines. A prolongation of the Finnish campaign threatened to embroil the Soviet Union in a wider conflict. Stalin decided to drop his puppet and agreed to reopen negotiations with the Finnish government, thus conceding to the Finns a decisive defensive victory. From then on the war was no longer about Finland's independence; it was about territory—a negotiable issue.

Stalin's second effort to conquer Finland was made in the summer of 1944, after Finland had joined Germany in an attempt to recover the land taken from her in 1940. As the Allied forces landed in France, a massive Soviet offensive was launched against Finland; its aim, according to Soviet military historians, was the occupation of Helsinki. But once again Finnish resistance was strong enough to make the price of conquest prohibitive. The offensive bogged down and the Soviet divisions were urgently needed for more important tasks, above all for the race to Berlin. Stalin no longer insisted on unconditional surrender and accepted, as in 1940, a negotiated settlement.

Thus in a conflict between a great power with wide and varied interests and commitments and a small nation with a single objective of survival, the balance of forces cannot always be calculated by simple arithmetic.

III

Finland emerged from the war a crippled nation. Yet, while

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defeated, it had not been conquered. Besides Great Britain and the U.S.S.R., Finland was the only one of all the European countries involved in World War II which was not occupied; the only one to maintain the continuity of her Constitution and political institutions; the only one to make the transition from war to peace without an internal rupture—without a single execution.

This is the key to understanding Finland's postwar position. Finland's continued existence as an independent and neutral state, a Western democracy, far from being an anomaly and therefore something precarious and transient, was part of the pattern established in Europe as the result of World War II. This pattern prevails today in all its parts. All the countries liberated by the Western allies are now members of NATO; all the countries liberated by the Soviet Union are members of the Warsaw Pact. The only countries which remain outside the two blocs are those which managed to stay out of the war, plus two: Finland, which was not occupied, and Yugoslavia, which liberated itself.

The outcome of the war made it possible for Finland to approach the task of creating a new relationship with the Soviet Union without the resentment that follows from humiliation, on the basis of mutual respect.

Another fact of crucial importance was that the Finnish nation, in spite of the loss of territory, remained undivided. The entire population of the ceded areas, one-tenth of Finland's total population, voluntarily left their homes and moved into what remained of Finland, where they were resettled. Relations with the U.S.S.R. would probably be very different from what they are today if a part of the Finnish nation were now living under Soviet rule.

The new relationship between Finland and the Soviet Union grew out of the experiences and consequences of the war. For Finland the lesson of the war was clear: with the defeat and division of Germany there was no longer any counterforce in Eastern Europe to balance Soviet power; Scandinavian cooperation, important as it was and continues to be, did not extend to security; and the Western powers were unwilling and unable to commit themselves to the defense of Finland. As an outpost of a Western alliance, Finland would always be the first to be overrun in the event of a conflict, yet never strong enough to influence decisions on war and peace. She would risk becoming once again, as in 1939, the small change in a deal between the great powers. The solution, therefore, was to develop a policy of neutrality designed to reassure the Soviet need for security on Russia's doorstep.

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On the Soviet side, too, the experiences of the war seem to have prompted a reassessment of aims and methods. When Finland was discussed by the Big Three at Tehran in 1943, Stalin told Roosevelt and Churchill that "a nation which had fought so hard for its independence deserved consideration." The idea of converting Finland to communism receded. The evolution of Soviet policy with regard to Finland can only be understood as part of Soviet policy in Europe as a whole. If there is one single theme that could be said to have dominated the European policy of the Soviet Union since the end of the Second World War, it is surely the maintenance of the status quo. From Yalta in 1945 to Helsinki in 1975, Moscow has pursued with single-minded persistence the goal of Western recognition of the borders as well as the power structure that emerged in Europe as a result of the war. Since the status of Finland as it is today is part of that structure, it would make no sense from the Soviet point of view to try to change it: such a breach of the status quo would yield little, if any, advantage, while the damage to the fundamental concept of the European policy of the Soviet Union might be irreparable.

The Finnish policy of neutrality and the Soviet concern for security have been married in the Treaty of Friendship, Cooperation and Mutual Assistance concluded in 1948. I should make clear at this point what is meant by Finnish neutrality. It is not based on a juridical claim under international law. It is a political statement describing the way Finland wishes to conduct her foreign relations, not only in some future conflict, but here and now: to remain outside military alliances and to keep out of the conflicts between the blocs; to decide independently how to react to shifting international situations; to maintain friendly relations with all countries.

The treaty of 1948 takes note of Finland's desire to remain outside the conflicts between the great powers and then goes on to make provision for the event that Finland nevertheless is attacked. In essence, the treaty commits Finland not to allow a foreign invader to use Finnish territory for aggression against the Soviet Union. Like so many other treaties made in the aftermath of the Second World War, it is directed against the ghosts of the past. It is an agreement to prevent history from repeating itself. With the passage of time its provisions have evolved like Chinese characters—from simple pictures describing physical objects toward more abstract concepts. This does not make the treaty less important. It is a source of permanent reassurance to a neighbor which, in spite of its enormous power, still seems to suffer from a

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sense of insecurity bred by the absence of natural or permanent borders.

If I were asked to use a single word to characterize Soviet policy with regard to Finland, I would say *stability*. It is a conservative policy, designed to keep things as they are, and devoid of ideological ambitions. In fact, the strength of the Communist Party in Finland has declined steadily, and what is more important, its character has changed. The party has split into two factions, and the majority faction has shown willingness to abide by the rules of parliamentary democracy. Revolutionary communism is a spent force in Finland today.

Stability is the watchword also for Finnish-Soviet trade relations. They are based on long-term frame agreements and long-term contracts. The Soviet share of Finland's total trade has remained steady at between 15 and 20 percent for a quarter of a century. Two-thirds of imports from the U.S.S.R. are in the form of energy—crude oil and natural gas—while the bulk of exports consist of manufactured goods—ships and machinery. The pattern of Finland's foreign trade is determined by economic realities, not politics. Trade with the Soviet bloc is not an alternative to trade with the West: it is complementary. Western Europe remains Finland's principal trading partner, to which she is tied through membership in the European free-trade area and a free-trade treaty with the European Economic Community.

IV

Critics of Finnish policy claim that the stability in relations with the Soviet Union is maintained at a price that limits Finnish independence: this, I believe, is what is meant by Finlandization. The price is that Finland must avoid antagonizing Moscow.

Actually, Finnish policy is designed to avoid antagonizing any important power. This surely is the course of wisdom for a small neutral nation which is heavily dependent on foreign trade. But of course it is especially important for every Finnish government to consider what effect its actions might have on its powerful neighbor. In an international crisis Finnish security may depend on whether Moscow believes it can trust Finland not to help its enemies. Such trust can only be secured by consistent behavior over a long period of time. It is therefore not only unrealistic but also irresponsible to make overt hostility to the Soviet Union a criterion of Finnish independence.

In this regard there is a fundamental difference between Finland and Romania, which often is overlooked in comparisons between the two. Romania, an ally of the Soviet Union maintaining strict

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Stalinist rule, from time to time uses anti-Soviet gestures to signal its separate identity; Finland, a neutral country, tends to play down its foreign policy differences with the Soviet Union while maintaining the ideological gulf that divides the two countries. Ironically, Western commentators frequently delight in applauding the Romanian pinpricks and deplore Finnish restraint, ignoring the suppression of human rights in Romania and the freedom prevailing in Finland.

The real issue raised by the term Finlandization is whether or not Finland has had to give up any essential national interests in order to maintain good relations with the Soviet Union. Here it is important to distinguish between substance and appearance, between abstract principle and political reality and to make the distinction in terms of the Finnish experience. Once again, it is necessary to take account of the legacy of the war.

Finland lost 100,000 men in the years 1939–45, a heavy toll on a nation of four and a half million. Every village has its war memorial. André Malraux, during his visit to Finland in 1963, was taken to see the war graves in a rural cemetery and told how every soldier killed in action whose body could be found was taken home to be buried. Visibly moved, he exclaimed, "*Enfin un peuple civilisé.*"

A civilized people: not only because it honors those who have sacrificed their lives for the nation's freedom, but also because it has had the wisdom to follow a policy that has made the sacrifice meaningful. "Only uncivilized tribes fight to the last man," wrote the Finnish statesman-philosopher J.V. Snellman more than a century ago. In the aftermath of the Polish uprising against Russian rule in 1863, he warned his countrymen not to let their emotional identification with the Polish fight for freedom endanger the essential interests of their own nation by provoking the czar into moving against Finland. A civilized nation, he wrote, is conscious of its duty to bend itself to external necessity in order to safeguard its own future, to rely solely on its own resources, and to desire and seek only what it can achieve and maintain by its own strength. Or to quote Rousseau, "He is truly free, who desires what he can perform, and does what he desires."

Snellman's teaching continues to influence Finnish political thought and behavior. The Finns deny themselves the luxury of making emotionally satisfying gestures. They are careful to avoid arousing suspicions in Moscow or engaging the prestige of the Soviet superpower. They refrain from currying favor with the West by advertising their rejection of such Soviet overtures as might compromise their neutrality. They discourage the use of

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Finnish territory as an escape route for Soviet dissidents. They play down criticism of such Soviet actions as the suppression of the uprising in Hungary in 1956 or the occupation of Czechoslovakia in 1968 or the intervention in Afghanistan in 1979, knowing that their silence hurts the cause of the victims about as much or as little as Western protests help it.

Such Finnish restraint is often taken to mean a limitation of sovereignty, an abdication of the national interest. It is of course the very opposite: an assertion of the supremacy of national egotism over the claims of ideological solidarity. Finns learned about ideological solidarity in 1939. Even Marshal Gustav Mannerheim, a man unusually free of sentimentality, was moved to declare at the end of the Winter War, "We have paid our debt to the West to the last drop of blood."

Those who complain about Finland's lack of engagement in the cause of Freedom, Democracy and Human Rights fail to see her dedication to the cause of the freedom of Finland, Finnish democracy and the human rights of Finnish citizens. Finland is not neutral in terms of ideology. There is no symmetry in her relations with the Western world on the one hand and the socialist countries on the other. These relations are structurally different. Finland is a Western country ideologically and culturally, and part of the Western economic system. Relations with the West are thus organic, while cooperation with the socialist countries across the ideological frontier is conducted in a more formalized manner.

V

What makes Finland unique among Western countries today is the nature of her security policy. It is divorced, as it were, from the nexus of her other international relations. It is not based on historical or cultural ties and affinities or shared values, but on an unsentimental calculation of the national interest.

There are of course historical precedents for such a policy. One is described by Henry Kissinger in his early work *A World Restored*, in which he writes about Metternich's efforts to win French confidence after the defeat of Austria in 1809:

> It is a policy which places a peculiar strain on the domestic principles of obligation, for it can never be legitimized by its real motives. Its success depends on its appearance of sincerity, on the ability, as Metternich once said, of seeming the dupe without being it.... In such periods the knave and the hero, the traitor and the statesman are distinguished, not by their acts, but by their motives.... Collaboration can be carried out successfully only by a social organism of great cohesiveness and high morale....[1]

[1] Henry A. Kissinger, *A World Restored*, New York: Grosset & Dunlap, 1964, p. 20.

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It would be foolish to claim that the Finnish performance over the past decades has been flawless. There are both dupes and knaves among Finnish politicians. There are editors who confuse timidity with wisdom. There have been lapses from the strict application of neutrality in the disputes between the great powers. There is an inclination to use a double standard in judging international events. But the validity of a political concept is not nullified by human failings in its execution.

On the whole, Finnish society has retained the cohesiveness, self-discipline and realism required to sustain a foreign policy based on a rational perception of the national security interest. It is a policy supported by a firm national consensus. Indeed, the consensus today extends beyond foreign policy to a wider range of issues. With the integration of the majority of communists into the parliamentary system, Finnish democracy today is more solidly based than ever before in history. There are few countries in the world which can match the Finnish record of political continuity and stability: the Parliament has functioned unchanged since 1906, the Constitution has been in force without substantial revision since 1919. The violent and tragic convulsions that most of Europe has gone through during the twentieth century have hardly touched Finland.

Finland's postwar policy can be summed up as reconciliation and cooperation with the Soviet Union, neutrality in international affairs, membership in the Scandinavian community, economic integration into the Western free-trade system, and active participation through the United Nations in efforts to strengthen international peace and security. Would the world thank them if the Finns were to act with less restraint or caution? Machiavelli warned the Prince not to get into a situation in which his enemies were close by and his friends far away. Imagine what a Cuban crisis in reverse would be created if Finland were to ignore Machiavelli's wise advice. In this sense the policy of Finland has not only served her own interests well but also contributed to world peace.

## VI

The threat to Finland in the 1980s is not communism, nor is it absorption by economic means into the Soviet orbit: the Soviet Union lacks the dynamism to pose such a threat. A separate, local Soviet military thrust to conquer Finland is excluded by the logic of Moscow's own policy in Europe. Indeed, Finland as part of the European structure is as secure, or as vulnerable, as is the structure

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as a whole. Not surprisingly, Finland actively seeks to contribute to efforts to make it stronger.

Yet an analysis of the geopolitical situation of Finland deals only with one aspect of the issue of national independence. True, freedom from outside intervention or other external constraints naturally remains of fundamental importance. But the problem of small nations today is more complex. It arises from the bewildering paradox presented by the seemingly conflicting tendencies of our time: on the one hand an advancing integration and internationalization of economic activity, on the other a continuing fragmentation of political authority. Integration offers small nations unprecedented opportunities for material advancement through the benefits of a developing international division of labor; but it also limits the ability of national governments to manage their internal affairs—to be masters of their own fate.

The danger to national independence posed by integration has been graphically described by a French politician of the Left, Jean-Pierre Chevenement, who recently declared that if things go on as they are going now, by the year 2000 France will be a kind of "Algeria" appended to the United States: the majority of the French, "in Basque berets, their liter of red wine and their Camembert in their pouches, will continue to speak French, surviving in mountain villages." A caricature? Of course. But also a warning that touches a sensitive nerve in contemporary Europe.

If the French national identity is seen to be in danger, how could a much smaller and weaker nation like Finland retain its economic and cultural autonomy in an integrated Europe? Finland has already lost more than 200,000 of her citizens through emigration to Sweden—more than twice the number lost in fighting the Russians. It may well be asked which of her two neighbors will prove to be more dangerous to the national identity of the Finnish people in the 1980s—the conservative superpower behind the closed Eastern border or the bright lights of the open society in the West? The military virtues displayed by the Finnish people in the 1940s have no relevance to the defense against the threat of a gradual dilution of national identity in a world dominated by a few powerful entities able to exploit the new "supertechnologies." The survival of Finnish independence will depend on the ability of the Finns to continue to maintain the high degree of social cohesion, self-reliance and originality of national spirit they have shown in the past decades.

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*John C. Campbell*

# TITO: THE ACHIEVEMENT AND THE LEGACY

During the dark days of the Second World War, when exploits of Yugoslav guerrilla forces known as Partisans were first heard of in the West, they were said to be led by a mysterious figure known as Tito. Who or what was Tito? Rumor had its day. A Yugoslav or a Russian? An individual or a committee? A man or a woman? Later in the war the mystery cleared. The Germans published his picture and put a price on his head. The exploits multiplied. The world press got the story.

He was Josip Broz, head of the Yugoslav Communist Party, leading the fight under the banner of anti-fascism and liberation. His Partisan forces tied down many German divisions. They liberated parts of the country. They got substantial help from Britain and America, for obvious military reasons. By 1944 Broz-Tito was on the world stage. He talked strategy and politics with Churchill in Italy. He then flew off to Moscow to see Stalin, to get help but also to nail down Soviet agreement that the "temporary" presence of Soviet forces in Yugoslavia in pursuit of the Germans should be at the request of the National Committee of Liberation in Yugoslavia, and that after completing their operational task the forces should be withdrawn. Stalin agreed, but on political matters the differences between the two men were sharp and the atmosphere was far from comradely. The future was casting shadows, but the outside world knew nothing of it, and the principals themselves did not accept the full implications.

After the war Tito and his movement, led by the Communist Party, took over power in Belgrade. There he remained, center stage, for the next 35 years. But the question, "Who is Tito?", could still be asked and can be asked today. For there were many Titos, as is evident from the now familiar facts of his life and from the differing encomiums now heaped upon his name, at home and by the world's leaders, at the time of his death.

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II

All phases of his past left their mark. He was a Croatian peasant boy, a draftee in Franz Josef's army, prisoner of war in Russia and participant, more or less by historical accident, in the convulsions of 1917–20 in that country. He was Broz, metal worker and union organizer in Zagreb and guest in King Alexander's jails. He was "Walter," agent of the Comintern, and Secretary General (named by Stalin in 1937) and underground leader of the Communist Party of Yugoslavia (CPY). He was Tito, leader of wartime resistance. Already middle-aged by then, he was "the old man" to his younger comrades in arms, who gave him loyalty and affection then and thereafter; yet, liberator but also conqueror of Yugoslavia, he waged a ruthless civil war against anti-communist forces, democrats as well as fascists and quislings. He was a bitter enemy of the West as the lines of the cold war were drawn; heroic defier of Stalin; champion of separate roads to socialism; founding father of the movement of the nonaligned; advocate of superpower détente and European peace; guardian of the unity of Yugoslavia; genial father of his country, in time respected by all; world statesman, the last of the giants, genuinely and universally mourned.

That he had so many roles may bear witness to his ability to adapt and to survive. His career raises the old question of the place of the individual in history: How much does a great man determine events, and how much do events determine his possibilities? Tito's impact on his country and on the world push one's conclusions toward the end of the spectrum where personal qualities are telling. He could move men. He could shift his ground when it served a larger purpose, but he was no model of adaptability. There was a consistency in his character, tempered by determination and by struggle, that made the many Titos one. If he had a genius for survival, it was by way of that consistency, which served him and his country well.

It is no easy task to pick a single act or decision in Tito's career that provides the measure of his achievement. But one is surely drawn to the year 1948, for without Tito's defiance of Stalin the fate of Yugoslavia and his own place in history would have been vastly different. On April 12, 1948, Tito met with his colleagues of the Central Committee of the Party, to decide what to do about the developing dispute with Moscow. At earlier meetings they had taken their positions on the questions at issue and argued their case in a carefully worded letter to Stalin. He had then replied in

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crude and insulting terms, citing the political fate of Trotsky as instructive. Perhaps by this time Stalin was set on their destruction and had left them little choice. In that case their earlier decisions had cast the die. But this was not a meeting of desperation but of reaffirmation, the final and wrenching decision to reject compromise on principle and to reject much of the faith, and the illusions, of their own past.

Several of those present later described the drama of the meeting at which they agreed on the reply to Stalin. Tito spoke first. The point, he said, was not ideology, not party relations, but national independence. On that issue there could be no hesitation, only a bold and determined stand. One after another his colleagues backed him up—all except the pro-Stalinist Sreten Zujović—and the struggle was on, although the Yugoslav people (in whose name they were acting) and the rest of the world did not know about it until Stalin loosed the thunderbolts of the Cominform Resolution a few months later, reading "the Tito clique" out of the world communist movement.

They knew the risks. They knew they were up against all the might the Soviet Union could mobilize against a small country that had no friends anywhere. But they knew also what their stand meant for the world communist movement if they could succeed. "However much any of us loves the country of socialism, the Soviet Union," read their reply to Stalin, "he should in no case love less his own country, which is also building socialism." Yugoslavia's communists have always shunned the term "national communism," but that was what they were choosing and that is the road which, since 1948, they have followed.

Tito was ready to take the bold decision against heavy odds, as he was on other occasions. He was the indispensable man in that these things would not have happened without him. In that sense Yugoslavia's course is rightly called Titoism. But his were no arbitrary one-man decisions, divorced from political reality and the backing needed to make them stick. In 1948 he counted first of all on his companions in the leadership and on the ranks of the CPY. He also counted, perhaps with less confidence, on the people of Yugoslavia.

Tito's principal lieutenants—Edvard Kardelj, his Minister for Foreign Affairs, Aleksandar Ranković, the Interior Minister, Milovan Djilas, Boris Kidrić, Svetozar Vukmanović-Tempo, Moša Pijade and the others—had been through the same experience with the Russians. Some had been to Moscow to deal with Stalin

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and Molotov, and to experience their own disillusionment. They stood with Tito from conviction, not just because they were all in it to sink or swim together. Their contributions to the enterprise—Kardelj's intellect, Djilas's arts of persuasion, and Ranković's tough methods in rounding up "Cominformists" and beating the Soviets at their own game—held the Party together and in charge, defying the efforts of the Kremlin and its international apparatus to subvert it. These men, most of them of the generation that produced idealistic, radical students in the 1930s and Partisan commanders in the war, were an extraordinary group. They provided, at a time when the country was suffering the effects of a devastating war and undergoing social revolution, leadership more effective than Yugoslavia had ever had.

Effective did not mean popular. The Tito regime probably could not have won a free election before 1948, and being a communist regime, had no inclination to try. These men were engaged in putting through a revolution by very tough methods, and were doing it against the will of significant elements in the population—not just remnants of the old ruling class but peasants, middle class democrats, Serbian followers of Draža Mihailović (whom the regime tried and executed in 1946), Croatian nationalists, Catholics and Orthodox, all who had welcomed liberation from Hitler's "new order" without accepting Tito's. The decision of 1948, accordingly, was taken against a background of less than total popular support for the regime. Yet Tito knew that such a challenge to Stalin required solid backing at home. As it turned out, he got it. The only element in the Yugoslav population on which Stalin could count was the small minority of Cominformists within the CPY, and they were effectively neutralized.

Tito in 1948 had the same unerring political instinct he had shown in leading the resistance to the Germans during the war. It has been said that there is no Yugoslav nationalism, only Serbian or Croatian nationalists mainly interested in fighting each other. But the wartime struggle had shown that Yugoslavs of all the nationalities would fight for Yugoslavia. It was the same in 1948. In that sense Tito had placed himself squarely in what was both a Serbian and a Yugoslav tradition of heroic resistance to outside dictation and domination. The people knew that, whatever the strains and differences at home, the independence of the country was at stake and that the only possible leadership in the struggle was that of Tito. He knew, at the same time, that there would have to be changes in the relations between regime and people to reflect the new realities. From that mutual recognition grew what

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came to be the new Yugoslavia, the Yugoslavia of Tito's separate road.

III

Assessments of Tito's career have been many, but in general there is agreement on what his major achievements were. They may be listed as follows:

1) He preserved the country's independence under fierce pressures from outside.

2) He was the unifier, taking charge of a country torn by internal strife and virtually in dissolution and keeping it together for 35 years.

3) He led the struggle, by example and by advocacy, for transformation of the international communist (or socialist) movement into an association of independent parties and states, with no central control from Moscow.

4) He created new types and forms of socialism in practice under the general rubric of socialist self-management.

5) He fostered what the West termed "market socialism," a decentralization of the economy which gave scope for decisions based not on a central plan but on the market, while retaining social ownership of industries.

6) He chose Yugoslavia's place between the power blocs of East and West, aligned with neither but maintaining influence with both.

7) He was a founder and leader of the worldwide nonaligned movement, not only furthering Yugoslavia's own interests but exerting an influence on world affairs far beyond Yugoslavia.

Each of those propositions represents a long and complex story. Let us in each instance give a brief characterization and estimate of Tito's accomplishment.

The first point is bedrock—preservation of the national independence of the country. As we have seen, this was his great service in wartime and again in 1948. He also acted as champion of the national rather than the Marxist cause in striving to gain in the postwar settlement the territories to which Yugoslavs thought themselves entitled, and with considerable success, although the big prize, Trieste, eluded him. Later, after Khrushchev's "trip to Canossa" in 1955 and the resulting ostensible reconciliation, Tito continued the campaign for Soviet recognition of Yugoslavia as an independent and socialist country and got the principle embedded in solemn joint documents issued in Belgrade in 1955, Moscow in 1956, and on various occasions thereafter. So

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that there would be no misunderstanding about Yugoslavia's will to defend itself, he created, in addition to the regular army, a nation-in-arms on the Swiss model. Relations between socialist states, he maintained, are governed by international law like relations between any other states. If any outside power, socialist or capitalist, wished to impose its will on Yugoslavia, it would have to do so by open attack and would meet Yugoslav resistance (and probably a world war). That was the case in the time of Stalin, and it is still the case today.

The second point is the unification of the country. This was possibly the most miraculous of all Tito's achievements. The nationality struggle fragmented and destroyed the old Yugoslavia, and under the Axis occupation the nationalities were at each other's throats in a paroxysm of hatred and mass murder. The Partisan forces were *Yugoslav* in makeup and in declared aims. Tito found the formula of reconciliation in equality and in the creation of six federated republics along historic and generally ethnic lines, with two autonomous provinces within the Republic of Serbia that took account of the heavy concentration of non-Slav minorities in those areas. The catch, of course, was that with a dominating Communist Party at the center, autonomy for republics could be as meaningless as in the Soviet Union. That was true at first. It was an imposed fraternal cooperation, with emphasis on the common tasks of remaking the entire society. But the total effect was to put a damper on nationality disputes and to begin to change attitudes. When the struggle with Stalin broke into the open only three years later, not one of the nationalities of Yugoslavia was going to open the doors to Russian domination.

Another severe test came later. With the liberalization of the 1960s and reduction of the central role of the Party, by then renamed the League of Communists (LCY) to emphasize its educational rather than directing function, autonomy for the republics became more real and began to feed on itself. There was a surge of nationalist feeling in Croatia, where the local communist leadership made common cause with non-communist elements to push demands for full autonomy, with symbols of sovereignty, though still within a Yugoslav federation. By the autumn of 1971 this trend, which encouraged the Soviets to see how they could exploit it, had gone intolerably far for Tito. To preserve the unity of the country he summarily removed the Croatian leaders and strengthened the control of Belgrade. Eight years of relative quiet have followed: for Tito, at the end of his reign, a vindication of his decisive action. But the embers of the fire have not been

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extinguished. It is beyond question that the fallen Croatian leaders were popular, an unusual phenomenon for communists. Only Tito could have dealt with that crisis as he did. A new Yugoslav leadership may have to find a new balance between Yugoslav unity and Croatian pride and self-expression that promises a more stable relationship.

Other nationality problems were never far below the surface, and some had dangerous international complications. One of Tito's boldest strokes was to deal with the age-old Macedonian problem by the experiment of a Macedonian republic within Yugoslavia. It flourished despite uncertain credentials in national consciousness and the claims of Bulgaria that Macedonians are really Bulgarians. Here again, there may be problems in the future but the impressive achievement of the Tito era is there to see. As for the other object of neighborly irredentism, the province of Kosovo with its Albanian majority, Tito was able to contain the problem by calculated concessions to the Albanian inhabitants, the most underprivileged people in Yugoslavia. At the moment nobody wishes to question the inviolability of Yugoslavia's frontiers, and rightly so. In time—and it may be a long time—the issue of self-determination will have to be faced, but it should be possible to face it without detriment to Tito's main achievement of preserving the unity of the South Slav peoples.

The third point is the separate road to socialism. Tito's decisive "no" in 1948 had many dimensions. It is remarkable how many of the great achievements of his career seem to flow from it. It deprived the Soviets of what they thought was a satellite, and of anticipated strategic positions in the Mediterranean. It gave a solid base to Yugoslav solidarity and unity not there before. It opened doors to the West, and later to the Third World under the banner of nonalignment. It forced a reassessment of relations between regime and people. Finally, most galling to the Soviet leadership, it led to Tito's separate road. Yugoslavia not only set an example and loudly advertised it—to the Chinese, to Eastern Europe, to the communists of Western Europe and of the entire world; it also implacably persisted, year after year, in campaigning for the right of every communist party or state to determine its own policies.

Tito did so at bilateral meetings with Soviet leaders. Whether excluded from international communist powwows (as those in Moscow in 1960 and 1969) or participating (as in East Berlin in 1976 where the Yugoslavs teamed up with the Romanians, the Italians and Spaniards to frustrate the Soviets) his colleagues have

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carried the torch and carried the message. China's break with Moscow and the growth of Eurocommunism may be more important manifestations of the breakup of world communism as a Soviet-dominated movement. But Tito was the first. He established the principle.

From the standpoint of the challenge to Moscow, the actual shape taken by Titoism in Yugoslavia is not so important. So long as it was not on Moscow's line, it was revisionism. For Yugoslavs, however, it was important, because they were the ones who underwent the experiment, a remarkable combination of old and new ideas, of adaptation, trial and error, of unworkable theory and unpredictable practice, in an ever changing interaction between leadership and people. At the core of change was the need of the regime, facing pressures from without and within, to reach some modus vivendi with the people.

From the 1950 law on workers' councils to the laws on basic organizations of associated labor recently worked out, the Yugoslav road to socialism shows a record of change departing radically from the Soviet system, allowing considerable freedom of expression and popular representation at the level of factory and commune, and modifying but not removing the ultimate political dominance of the League of Communists. Halfway down the road, in the years following the 6th Congress held in 1952 (which had decreed the change in name from Party to League), it looked as if its directing role might gradually wither away. Erosion did indeed take place, but Tito himself reversed the process in the early 1970s when what he saw as excesses of nationalism in Croatia and of liberalism in Serbia and elsewhere impelled him to purge the offenders and return to greater central control and discipline. At the 10th Congress of the LCY in 1974 no kind words were spoken about the 6th.

Yugoslavia's present constitution is a complex and repetitive document adopted in that same year. The institutional structure is largely the work of Edvard Kardelj, theorist of self-managing socialism and Tito's lifelong colleague who died in 1979. It defies brief analysis; much of it defies analysis altogether and is imperfectly understood by Yugoslav officials and citizens alike, although enormous effort goes into making the institutions work. The big question for the future is whether this particular balance between centralized control on the one hand and limited freedom and pluralism on the other can endure. Tito's achievement was in making the experiment in socialist self-management possible. The forms it has taken are no model for the rest of the world. Yet they

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have responded in many ways, even as they have changed over time, to the political realities and international position of Yugoslavia.

In economic, even more than in political, measures, Yugoslavia under Tito was willing to experiment. Once the leaders got over the idea of trying to show Stalin they were better Stalinists than he, they set about dealing with their own practical problems. Yugoslavia has had some good economists and organizers (a few with experience dating back to prewar days), who have found ways within the overall commitment to socialism to encourage the productive energies of managers, workers and peasants. The resulting market socialism helped in resisting Stalin's economic warfare, in utilizing Western aid, in making credible Yugoslavia's separate and nonaligned road, and in raising the living standards of the people. It also produced many problems characteristic of countries trying to develop at a pace exceeding their capabilities and resources. Yet while the economy has appeared to be periodically, even chronically, in a state of crisis, it has always managed to make adjustments and reforms, reschedule debts, export its unemployed, get more foreign aid, and somehow muddle through.

Tito was neither an ideologue nor an expert in economics. He looked for practical results and was ever aware of the political aspects of economic decisions. Thus, he intervened whenever he saw economic policy veering too far in one direction or another. He admired order, not consumerism, especially when the latter seemed to be corrupting the discipline of Party and people. But his abandonment of central planning was sincere. He did not go back on it in the general retreat from liberalism in the 1970s; and he took pride in what the market system had achieved, a better life for Yugoslavia's people.

## IV

In foreign policy Tito sought always to find the counterweight to where the pressure was. In 1945–48 he felt threatened by the Western powers, which he saw supporting Italy on Trieste, opposing him in Austria and Greece, and encouraging his domestic enemies. That they saw him as the advance guard of Soviet expansion did not alter his perceptions. After 1948 he turned, with obvious reluctance, to the West for help in resisting pressure from the East, and in the next few years drew closer to the Western powers than was generally recognized, taking military as well as economic aid, engaging in strategy talks, signing an alliance with Greece and Turkey that linked Yugoslavia indirectly to NATO, and

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settling the Trieste dispute with Italy. The reconciliation with Khrushchev in 1955 then made it possible to move to a middle position, where he felt more comfortable and more secure, dealing with both sides on his own terms and with no binding ties to anyone. Global cold war, however, has its dangers for Yugoslavia, so Tito worked assiduously on behalf of détente, arms reduction, and the negotiations on security and cooperation in Europe that led to Helsinki in 1975.

Tito saw Communist China, very early in the game, as a major factor in the world balance and, as a communist state which had made its own revolution, a natural ally of Yugoslavia against Soviet hegemony. His hopes were at first disappointed, for Mao was not friendly but openly hostile and after the Sino-Soviet break denounced Yugoslav "revisionism" more vigorously than ever. But in time, as the Chinese turned to a policy of containment of "Soviet social imperialism," they were ready for good relations with Belgrade.

Tito, always the enthusiastic world traveler, made a point of visiting the capitals of the United States, the U.S.S.R. and China, stressing cooperation with all three. It might seem a little ridiculous, a Balkan potentate keeping the world's superpowers in balance, but he was serving not only the interests of Yugoslavia but also of others beyond Yugoslavia, and because he was Tito he was taken seriously.

As for nonalignment as a world movement, Tito first saw it as a means of enlisting Third World support for his country's independence against Soviet pressures, just as he had turned to the Western powers and to the United Nations. Then, after he achieved a position of greater freedom of maneuver between East and West, he saw the possibilities of an expanded global role in association with the leaders of the anticolonial revolution, and he was off and running with Nehru, Nasser, Sukarno and the others. It was a steadily expanding policy from the late 1950s onward, the centerpiece of the evolving Yugoslav interpretation of world trends, generating diplomacy on the grand scale and also the accretions of a new mythology.

How much it all helped from the standpoint of the security and economy of Yugoslavia is debatable. It certainly added prestige, for as a leader and the only European member of the club, Yugoslavia held a special position. But it was not an easy game to play. Being an ally of the great wave of anticolonial movements and of states born in revolution throughout the Third World was heady wine; yet at the same time the Yugoslavs had to be careful

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that they and the anti-imperialism of the Third World, to which they were ideologically and emotionally attached, not be swept up in the train of the anti-imperialist global strategy of the Kremlin. As Tito's early companions in the nonaligned movement disappeared, and the ranks expanded to include such members as North Korea and South Yemen, he found himself on the defensive in later years, trying to cope with the pro-Soviet maneuvers of the likes of Fidel Castro.

Tito carried on to the end, speaking his mind at the conference of the nonaligned held in Havana last year, in his 88th year. He was, as was so often said, bigger than his country. But he remained rooted in Yugoslavia. He never overplayed his hand, nor forgot how he had acquired his world reputation.

As one looks at Tito's record of achievement, what comes through is the extraordinary, almost instinctive, comprehension of the realities of Yugoslavia and of world politics, plus a capacity for bold decision. A convinced Marxist but no student or servant of doctrine, he found his guide in the understanding and balancing of human forces. He let men like Kardelj and Djilas spin theories and write books, fitting theory to practice rather than the other way round (and when Djilas wrote too freely, Tito removed him from the leadership).

Tito learned the arts of government by governing, as he learned the art of war by fighting. His flexibility as a practical politician enabled him to deal with crises that a doctrinaire or despotic approach might have turned into explosions or total failure. By letting his subordinates improvise and carry on policies, he reserved his authority and prestige for moments of decision, as in 1966 when he finally dismissed his old friend Aleksandar Ranković and gave the liberals their head, or in 1972 when he cracked down on those same liberals to reassert the authority of the LCY.

Some of Tito's policies and decisions may exact a price in the future. In his old age he seemed to many to become more arbitrary, more difficult to deal with, more conservative in the sense of making the Yugoslav brand of "democratic centralism" more centralist and less democratic, more reluctant to speak out against the Soviet Union. Some say that in the context of Yugoslavia's long-term political course he may have stayed at the helm too long, for others could not emerge from his shadow so long as he was there. And by the time of his death he had pushed out of active politics many of his former lieutenants who were most capable of carrying on after him. But none, colleague or critic, would question the magnitude of his achievement. At his death

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Yugoslavia was independent, united, respected in the world, and with the chance to build its own future.

V

The achievement is the legacy. What will the heirs do with it? Will Titoism long survive Tito? The world press has been filled with dire predictions. The Red Army will invade. Serbs and Croats will fall upon each other in fratricidal combat. A struggle for power will give the Russians their opening. The economy will collapse. It is not impossible that one or more of these things will happen. But to assume that only the personality of Tito has kept them from happening is both to overrate his role—he did not do it all by himself—and to underrate it, for his legacy is based on Yugoslavia's past and on its future, on human beings, on leaders and ordinary citizens, with a clear concept of vital national interests and the desire and means to pursue them.

Many things are uncertain, such as how post-Brezhnev Russia will act toward post-Tito Yugoslavia. Tito's absence will surely make a difference in the conduct of both domestic and foreign policy, because he cannot be replaced by any one individual—at least not for some time—in the exercise of ultimate authority, and there is no one in the new leadership with the same weight in the councils of the world. What is important is what happens to the structure and the system.

The questions to be answered by future events are the obvious ones. Can the political and economic institutions inherited from Tito stand the strains that are bound to come? Have the local nationalisms been sufficiently tamed or appeased, or will the old urges for Serbian domination, Croatian independence, Macedonian secession or Albanian irredentism divide the leadership and threaten national unity? Can the will to independence hold firm against direct or indirect attempts to break it? Will Yugoslavia maintain its balance between the blocs and its status as an influential nonaligned country? No one can give foolproof answers to these questions, but there are some basic factors, both in the achievements of the Tito era and in the continuing Yugoslav reality, that support certain rough conclusions.

First, if Yugoslavia was an artificial country when it was put together after World War I, it is one no longer. Its nationalities have lived together in the same state (except for the period of occupation in World War II) for some 60 years. Conflict exists, but not at the level of the pre-Tito era. It is often said that Tito was the only Yugoslav (King Alexander said the same thing of

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himself); the others are all Serbs, Croats, Slovenes, and so on. That is substantially though not entirely true, but not necessarily fatal for the country. People of all nationalities defended the independence of Yugoslavia against Hitler and against Stalin. They know there is no real political or economic alternative to unity, except the loss of independence for all. If the Soviets are looking for a credible leader, Serb or Croat, to invite them in, they may have to look indefinitely.

Of course, the risk of failure will not necessarily discourage men with a single aim or a sacred cause, whether they are in Moscow, in Zagreb or elsewhere. But it should be clear by now, within the existing balance of power in Europe, how dangerous to all concerned, including the Soviet Union, the breakup of Yugoslavia would be.

The practical question for the Yugoslavs is what kind of federal or confederative relations among the republics and nationalities will best achieve their political self-expression, cultural identity and mutual understanding, and at the same time provide for the common defense and promote the general welfare. It is likely that some looser relationship than Tito permitted would be more satisfying to the Croats, and plausible that in the long run the unity of the country would be the stronger for it. This is a matter of evolution, one that will tax the statesmanship of the post-Tito leadership in Croatia and in the country as a whole.

Second, and perhaps equally critical, is the future evolution of political institutions and the role of the LCY. Tito presided over the diminution of Party control in the 1960s and over the recentralization of the 1970s. It is a question how complete that reversal was or could be, given the fact that Yugoslav society so drastically changed over the years in all respects: in the economy, in education and the professions, in the everyday life of the people, and in the ranks of the League itself. The guiding role of the LCY was reaffirmed in official documents and to some degree in practice (partly because Tito was there to insist on it), but the leaders who will now have governing responsibility cannot count on the principle to work automatically.

Tito outlived, physically and politically, many of those who were his heirs apparent. Kardelj, Kidrić, Veljko Vlahović, Vlado Popović and others have died. Djilas and Ranković were ousted years ago and can hardly be expected to come back. Many others fell by the wayside in the turmoil of the early 1970s. Leadership thus skips a generation, with power now coming into the hands of younger men, many of them untested, plus a few of the remaining

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veterans. There will be a kind of shakedown cruise in which it should become apparent which of them will form the controlling group and how they will share power among themselves and with others. It is a process in which the question of nationality will be important, as will the personal strengths and weaknesses of the various individuals. The outcome, in terms of who will stand where, is unpredictable.

There is nothing sacrosanct about the specific institutions bequeathed by Tito. It is hard to think of anything more cumbersome than the rotating nine-man presidency of the country or the 24-man presidency of the LCY. These arrangements have a logic in the preservation of legal equality among the republics, but the real tests will come in the efforts to achieve a durable balance of the elements of real power and to provide effective government. The complex of workers' councils, self-governing communes, basic organizations of associated labor, indirect elections and the hierarchy of assemblies was another part of Tito's (and specifically Kardelj's) answer to the problem of how to combine popular participation with essential control. Some of it will endure, some will not.

The challenge to Tito's heirs will be to retain the vital element in his legacy, which is the governability of the country. Ability to change may be more significant than ability to maintain. Actually, the new men are less attached than Tito to the mystique of certain Leninist principles and forms that Tito, with his Moscow background, never lost. They have made their careers in post-1948 Yugoslavia. They will do well to maintain a readiness to experiment and to compromise such as Tito showed in the 1950s and 1960s. They may also find that they can build solidly on popular support only by enlarging the area of real political freedom which the system permits, and by drawing back into public life some of the talented leaders whose taint of liberalism or nationalism kept them on the outside so long as Tito himself was in charge.

In international affairs the established credo is that Yugoslav foreign policy derives from the country's status as independent, socialist and nonaligned. That should continue to be valid in the future, although some things will change. Concerning independence there should be no question. The socialist content of Yugoslavia's policy will also remain, as long as it sees itself as a socialist society and as part of a worldwide trend toward socialism, and is seen as such by other states and parties which bear a Marxist label. Thus, the standing challenge to Moscow's claim to

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either ideological or political primacy in the "socialist world" will remain.

The cult of nonalignment will also continue, but Yugoslavia's role and influence in the Third World is bound to decline without Tito's prestige and presence. This may well be in Yugoslavia's own interest, for its central concerns always have been and will always be where its security is at stake, in Europe. There, a rapprochement with Western Europe is indicated, first in economic relations and then in other matters, which could take place without changing Yugoslavia's uncommitted stand between the two superpowers, especially if Western Europe in its world role becomes increasingly independent of the United States. For its ultimate security against Soviet threats and attack, Yugoslavia, like Western Europe, will have to rely on America, but in the less cosmic concerns of foreign policy the Yugoslavs should find the European connection politically congenial, economically rewarding, and not unrelated to their security. Tito in his unbending independence would not have countenanced it, but his successors may not be so concerned about the effect of bourgeois decadence on the purity of Yugoslav socialism, and there would be no cutting of ties with the East or abandonment of détente.

"We will keep the faith, Comrade Tito," Yugoslavia's leaders are now saying, "and preserve what you have bequeathed to us." It is a safe prediction that the full legacy will not long survive intact, for the reason that Yugoslavia will change and world conditions will change, not without startling events now unforeseen. The problems will surely be formidable, and parts of the structure are fragile and interdependent: an economic crisis, for example, could sharpen the antagonism between nationalities and leaders, which in turn could undermine political stability and foreign policy. But the foundation stones laid by Tito's achievement, if not the entire superstructure, should endure. No one should underestimate the strengths and abilities of the peoples of Yugoslavia. Given the record of the past, they have reason for confidence.

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*Xan Smiley*

# ZIMBABWE, SOUTHERN AFRICA AND THE RISE OF ROBERT MUGABE

On April 18, a British Tory government, by repute the most conservative since Hitler's war, handed over the last substantial British colony, Southern Rhodesia, to a professed Marxist, Robert Mugabe, with the Prince of Wales officiating at the ceremony. When the British Prime Minister, Margaret Thatcher, witnessed the all-party signature to the terms decided at Lancaster House, she can hardly have wished for such an outcome, and yet—with only a few ultraconservative backbenchers demurring—the final decolonization process was nevertheless hailed on both sides of the House as a triumph for the British premier whom the Russians call "the Iron Lady."

Mugabe himself declared that he had come to hold the outgoing British governor, Lord Soames, in admiration and "even love." President Samora Machel of Mozambique, himself also a self-styled Marxist-Leninist, labeled Thatcher the "best British Prime Minister for 15 years." Lieutenant General Peter Walls, Ian Smith's military commander through most of the vicious pre-independence war, had held at least two meetings shortly before the election—one with senior industrialists, another with senior military personnel in the Joint Operational Commands—to proffer reassurances that a Marxist government would never come to power. The day after the election result, however, he accepted Mugabe's offer to remain at his post as Commander in Chief of the armed forces, with Mugabe's guerrilla commander, Rex Nhongo, as Chief of Staff. The outgoing Chief Justice, Hector Macdonald, known in nationalist circles as "the hanging judge" and certainly the most prolific pronouncer of the death sentence in the contemporary West, with due pomp swore in the Reverend Canaan Banana as President of the new state of Zimbabwe.

Of greater moment in this series of ritual exchanges, which two years ago would have seemed macabre and unthinkable to the whites and surreal to the blacks, was the concurrence of South Africa, which a mere few weeks before the election had hinted broadly at armed intervention to "forestall chaos north of the

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Limpopo." Deciding to accept Mugabe—temporarily, at any rate—the Afrikaner republic fast fell back on stressing the need for regional cooperation, mindful of Rhodesia's utter reliance upon South Africa's economic support since 1965, and mindful too of the vital economic tasks that Pretoria gladly performs for several other black African states.

But, as a sharp and telling rejoinder to the Afrikaner concept of a "constellation" of southern African states centered around South Africa itself, the African front-line states gathered together a group of nine black states—including the emergent Zimbabwe, plus South Africa's friendliest colleague, Malawi, and the "island" state of Lesotho—to declare a fresh determination to rid themselves cooperatively of economic dependence upon South Africa.[1] In further response, South African journals, even those like *Die Transvaler* and *Beeld*, which are close to government, began increasingly to recognize that no black state could ever encourage any form of contact, let alone formal links, so long as apartheid remains; and they continued to appeal for a further softening of the laws of "separate development".

Mugabe's victory threw a tantalizing question mark, too, over the economic and political future of Zimbabwe's chief neighbors, Zambia and Mozambique. Can a one-party system retain the political vitality to satisfy the needs of a growing black technocratic elite? Certainly that group is becoming restive in Zambia. Similarly, it is being asked increasingly whether a broadly nationalized economy such as Mozambique's can cope with the consumer demands even of a relatively unsophisticated population. As Mugabe appeared ready to accept a mixed economy in Zimbabwe, with a very strong private sector including large white farms and mining ventures owned by foreign capital, so President Machel in Mozambique began to veer sharply away, in rhetoric at any rate, from a strict adherence to Marxist economic principle, despite strong official denials to the contrary.

Finally, the clear-cut nature of victory for Mugabe and the most militant-sounding nationalist faction threw into sharp focus the question of white survival in a continent that must eventually be entirely black-governed. How will the whites in Zimbabwe manage, and what effect will their ensuing welfare have upon their far more numerous counterparts in the white citadel to the south?

[1] The nine were Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe.

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How Mugabe governs will provide many clues to such questions. After South Africa and Nigeria, Zimbabwe probably has the most powerful all-round economy in Africa. Its economic and political development will have a compelling effect both on South Africa and on the diverse set of neighboring black states, ranging from Mozambique to the rigorously authoritarian and pro-Western state of Malawi. In Zimbabwe, it is possible that a greater concentration of power will gradually devolve upon Mugabe himself. It is thus no overstatement to say that he himself has become a critical factor in southern Africa and in Africa as a whole.

II

Mugabe's rise to power inside the Zimbabwe African National Union (ZANU), as much as in Zimbabwe itself, is a remarkable history of skill and determination. During the prime years of his life, the only activity he could undertake, due to a ten-year spell in prison and detention from 1964 to 1974, was study. As is well known, he achieved several scholastic successes, mainly in the fields of law and politics. But he was necessarily divorced from outside party activity. From 1970 onward, however, the personality and tactics of the ZANU leader, Reverend Ndabaningi Sithole, who was also in detention, fell under growing criticism from his closest party colleagues imprisoned alongside him, and they, in a so-called prison coup (and by a vote of just three to one), replaced him with Mugabe. But it took several years for Mugabe to convince the party inside Zimbabwe, the front-line states, or the guerrillas themselves that his claims to leadership were just. So he came to party power not through a broad consensus, nor through any widely conducted election. Furthermore, he was released in December 1974 at a time when the party was experiencing its worst-ever factional infighting, culminating in March 1975 in the assassination of former chairman Herbert Chitepo. Just a few days before that event, Mugabe had slipped secretly into Mozambique, having enjoyed only three months of freedom to assess the needs of his country from outside the walls of prison.

At first President Julius Nyerere of Tanzania refused to acknowledge Mugabe's proclaimed leadership. Machel actually kept Mugabe under virtual house arrest for several months. By the time of the Geneva Conference in the fall of 1976, Mugabe had made some headway in the guerrilla camps, but many guerrillas in the field inside Zimbabwe did not by then recognize him as leader. Some had only recently left eastern Zimbabwe under the

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auspices of Bishop Abel Muzorewa, who was encouraging them to take up arms in Mozambique. Others still looked to Sithole, while some owed a stronger, direct allegiance to their independent-minded camp commanders, or simply said they were "fighting for Zimbabwe, not for individuals."

When Mugabe came to Geneva, guerrilla leaders like Josiah Tongogara, who had recently been released from over a year in Zambian prison in connection with the Chitepo catastrophe and had therefore had little if any contact with Mugabe for at least 12 years, gave the impression of treating him with distant respect rather than obeisance. The guerrillas tended to refer to him as "spokesman" rather than Secretary General (the post he held under Sithole) or Acting President. After the abortive conference, the guerrilla leadership was further confused because most of the newer, younger men who had displaced Tongogara in Mozambique during his Zambian prison period were themselves ousted and imprisoned in Mozambique shortly after his return there. A year later, in early 1978, another series of guerrilla arrests in Mozambique occurred, due to a variety of internal differences based on tactics, ethnic factors, personality and professed ideology. The party, especially the military wing, was in disarray, and relations between the military and the politicians were ticklish.

But by 1979 Mugabe had clearly managed to assert himself over the guerrillas and had begun to restructure the party. He had strengthened the central committee with a number of co-opted members and had made the military more directly answerable to the politicians. The April "internal settlement" election bringing Muzorewa to the premiership was, nevertheless, a setback for Mugabe, mainly because the turnout (variously estimated at between 50 and 63 percent) contradicted his and the guerrillas' claims that their own military superiority would prevent almost everyone from voting, whatever pressures and intimidation would be brought to bear by the Smith-Muzorewa government. In sheer military terms, the election showed that the organizational capacity of the internal government, still orchestrated by the whites, was undeniably functional and the regime still resilient. The front-line states took note, and became gloomily aware that the guerrilla campaign could take some years to complete.

Muzorewa, however, soon proved highly inept at trying to maneuver himself outside the control of the white bureaucracy and armed forces, and indeed seemed willing both to adopt much of the old regime's crude anti-Marxist rhetoric and to become most evidently beholden to South Africa. Mugabe's guerrillas,

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assisted both by the clumsiness of Muzorewa in failing to achieve greater political advances and equally by Smith and the whites in their reluctance to give blacks some of the material rewards that could have gained Muzorewa more support, soon proved that they would never be beaten on the battlefield unless the white supremacist apparatus was dismantled. Mugabe found it easy to reassert himself.

Thus by September 1979, when the Lancaster House conference began, Mugabe had over just four and a half dangerous years shown the utmost delicacy in ensconcing himself at the head of ZANU, both politically and militarily. The stamina of his guerrillas was proven, but both sides were near exhaustion. The morale of many guerrillas must have been low, for their casualties were persistently far heavier than those of the white-led security forces. Probably over a quarter of all cadres committed to the bush had perished. Though the guerrillas had effectively captured most of the rural hearts and minds and had almost paralyzed the administration, the white-led forces had never been beaten in conventional contacts and strikes.

In addition, several of the front-line states, principally Zambia and Mozambique, had reached a pitch of economic hardship that only peace in Zimbabwe was likely to end. Thus they were determined that Mugabe and his fellow guerrilla-backed leader Joshua Nkomo of the Zimbabwe African People's Union (ZAPU) should make maximum concessions in order to gain a political settlement that might enable them to assume power through the ballot box.

So when Mugabe entered the conference, he had incontestably become the dominant nationalist figure, because his guerrillas, rather than Nkomo's, had borne the greater share of the fighting and were—for the first time—clearly under Mugabe's control. The party had itself achieved its greatest stability in years. Yet the forces opposed to Mugabe outside the country were many. The unstinting support of the front-line states, it was becoming apparent, could not be relied upon forever. Of those states, Zambia had never been especially sympathetic to Mugabe, and Nkomo had retained the stronger international links in the Organization of African Unity (OAU) and at the United Nations, with the Soviet Union and Western multinationals, and with whites inside Zimbabwe. South Africa seemed committed to hoisting Muzorewa somehow into power as leader of a client state. Above all, a British government had come to office clearly ill disposed toward Mugabe's self-proclaimed Marxism. All these

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forces were essential in forcing Mugabe to accept a transitional arrangement and constitutional terms which the ZANU party rhetoric of the past had seemed unlikely to countenance.

Relations between Mugabe and the British Tories were a remarkable aspect of the conference and of the pre-election run-up; in the upshot they suggested that authoritarian, patrician Western politicians may on occasion be better placed to do political business with tough, avowedly left-wing African leaders than are many of those Western politicians more obviously committed to the causes of black liberation in Africa. Indeed, it was notable that the front-line leader with whom Britain most happily cooperated was Mozambique's Machel, rather than Kaunda or Nyerere, two front-line leaders long accustomed to dealing with figures from the West. Occasionally the Zimbabwean nationalists—especially Mugabe's ZANU—found Lord Carrington, British Foreign Minister and chairman of the conference, high-handed, but in the end the Tory handling of the negotiations, firm and abrasive to a degree that could be described as aggressive, paid dividends.

Even though any claim to British sovereignty over Southern Rhodesia struck an inevitably loud note of imperial illusion, the Tories did seem more prepared than previous governments to assume what responsibility Britain still had. By contrast, Labour, under the direction of Dr. David Owen as Foreign Minister, had been keen to devolve the task to a large extent upon third parties, mainly the United States and the United Nations. Indeed, it was against strong resistance from colleagues in his own cabinet, including the then Prime Minister James Callaghan, that Owen had dragged out a promise for a battalion of British troops to participate in a U.N. peacekeeping force in Zimbabwe. The Tories, though equally loath to commit troops to a potentially dangerous area, were anxious to remove U.N. and overt American participation, which had made the white Rhodesians and South Africans reluctant to cooperate. The Tories, moreover, were much less shy about admitting that any settlement in Rhodesia needed the active compliance of Pretoria. This British readiness to reassert responsibility, (even if it was more a matter of style than substance, since "self-government" [i.e., white autonomy] had been granted to Southern Rhodesia back in 1923), gave the Tory conference team additional and necessary bargaining bite.

Carrington also had an advantage over a Labour government operating under similar conditions in that the Smith-Muzorewa tandem knew that no other British government would ever offer

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better terms. (In fact, Smith was intent on holding out for softer terms from Britain, but he was isolated by both black and white colleagues, and his protestations were scornfully shrugged off by Carrington.) There could be none of the "Let's hang on until a Tory government gets in" which had dogged Owen's attempts at a settlement. Similarly, when Owen, in negotiations with the black exile nationalists over the Anglo-American proposals, declared that he "would not accept a veto from anyone," the black nationalists rightly sensed that he was bluffing. The Labour Party, because of pressures on the Left, would never under any circumstances have backed any scheme without the support of both guerrilla groups. It was an inevitable and serious flaw in Labour's bargaining capacity.

Though Carrington's ruthless negotiating tactics were skillfully deployed, it must be stressed that the successful Tory attempt at mediation was also blessed with fortunate timing that had been denied to Owen two years before. The pressures had mounted since then, so that the squeeze against both sides had never been so acute. The war had driven the bishop, Smith and the white machine into an ever more desperate bargaining position—as had not been the case, for instance, at Geneva in 1976. Similarly, the economic near-paralysis of the front-line states exerted sharper pressures on Mugabe and Nkomo than ever before. When the Lancaster House conference opened, the time for a settlement was at last ripe.

What did finally clinch the deal was the brinkmanship of Carrington under the direct instruction of Prime Minister Thatcher. The British Foreign Office talked unofficially about the "first class" solution and the "second class." The first involved all parties; the second involved Britain, the internal parties and perhaps also Nkomo, but minus Mugabe and his guerrillas. Ultimately, it was Mrs. Thatcher's threats and determination to stick to what she felt was a matter of principle—based, her detractors would argue, on ignorance of the probable bloody consequences—and plunge into the second class solution, if need be *without* Mugabe, that actually pressed the latter into acceptance. It was the probably justifiable belief of Mugabe that Thatcher and Carrington might actually go *over* the brink that caused her brinkmanship to succeed. Even at the last hurdle, when Mugabe was extremely hesitant in accepting the unofficially termed "Walls Plan" (whereby the guerrillas were to be corralled inside around 15 assembly points vulnerable to air attack, and in the border regions of Zimbabwe, thus perhaps giving the impression of

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guerrilla retreat), it was Britain's peremptory decision to dispatch to Salisbury the Governor-designate, Lord Soames, that may, in Carrington's phrase, have prevented "the ball from unravelling." If the guerrillas had not subsequently signed, Britain could have found itself in Rhodesia technically fighting a massive guerrilla insurgency with almost no British troops and with every chance of international opprobrium. And it should finally be added, as a serious qualification to Britain's skill, that the Tory government—perhaps duped by Rhodesian intelligence—was under the illusion that Muzorewa would win the planned election. (In that case, the vulnerability of the guerrilla assembly points would probably have been brutally proven. It would not have been difficult for a winning Muzorewa government to find a pretext for obliterating them as soon as possible after an election.)

Mugabe did not, of course, welcome the rather bullying British conference technique, wherein, even before the agreement was signed, Britain appeared to be harassing the guerrilla parties, while Muzorewa and the whites meekly accepted the new British "authority." The front-line presidents publicly complained of Britain's hard-faced, high-risk approach, but when Mugabe flew to Dar es Salaam in mid-December, resolved to hold out against the Walls Plan after Walls and the bishop had already gone home to embark upon electioneering and military arrangements, the front-line presidents—in particular, Machel—told the guerrillas to take the risk and sign. It was an undoubted triumph of British diplomacy.

III

The hectoring manner adopted toward Mugabe's party by Salisbury's new British administration, manned by much of the same staff whose approach had succeeded at Lancaster House, continued when Britain took over the trappings of formal power in Rhodesia. Right from the start, in an attempt to assert what influence he had, and perhaps over-conscious of the frail artificiality of his position as ruler in name more than in substance, Soames appeared intent on showing the guerrillas that he would brook no dissent whatever. It is certain that the guerrillas, conscious of their new vulnerability in the designated assembly points after years of freely flouting the laws of the illegal regime, decided to keep a proportion of hardened men at large in the villages for electioneering.

Muzorewa, equally keen to ignore inconvenient aspects of the

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agreement, showed little inclination to allow his armed "auxiliaries," numbering between 16,000 and 25,000 and in theory part of the white-led national security forces, to be monitored by the Commonwealth forces or to be confined to base. Indeed, they roved the countryside, many of them intimidating civilians they suspected of supporting Mugabe. (The auxiliaries kept a low profile in Matabeleland, where the pro-Nkomo vote was a foregone conclusion.) But the British administration seemed sensitive only to guerrilla breaches of the agreement, arguing that auxiliaries were not in fact partial to the bishop and that many of them were gainfully employed in "community activity" such as repairing roads and cattle-dipping tanks. Furthermore, within a fortnight of Soames's arrival, security forces were deployed to attack "unlawful" guerrillas (i.e., those who had failed to report to the assembly points by the allotted deadline), and offers by Nkomo's and Mugabe's parties to send out their own forces, in concert with the monitoring forces, to round up the recalcitrants, were rejected.

To the African people it began to look, early on, as if Soames was biased against Mugabe. Nkomo's guerrillas were generally praised by the British for their discipline, which was indeed of a higher order than that of their ZANU counterparts, but the alacrity with which Soames and his administration appeared to congratulate Nkomo soon began to smack of a desire to accept Nkomo into government without Mugabe. There was a strong lobby in Government House that wanted to ban Mugabe from contesting the election in large areas of the country. It was certainly true that many of his guerrillas were intimidating civilians. And the battle-hardened guerrillas, though fewer than the auxiliaries, were probably more effective, in view of their longtime dominance over the civilians and genuine sympathy among them. But it seemed that the sins of Muzorewa's bullies and the old Rhodesian administration's obvious connivance in (or deliberate failure to notice) acts of sabotage, forgery and attempted assassination were all occurring without the same gubernatorial wrath.

The British administration, inevitably over-reliant upon the old bureaucracy that had served Smith so efficiently, and over-credulous of the Rhodesian intelligence and information services, was strangely insensitive to the Zimbabweans' hopes that it would assert what little authority it had over the white establishment, and start to redress the most obvious wrongs of the past. The British were reprehensibly slow to release political detainees, arguing that those Africans convicted of technically criminal offenses but motivated by reasons of war could not be classified as

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"political." At the time of the election, at least 2,000 people were still being detained. Similarly, the British appeared slow to accelerate the refugees' return, which was obstructed by the existing Rhodesian administration.

Nor did Soames seem keen to shake the bureacracy into assisting the exile parties, especially Mugabe's, by granting them the public services enthusiastically given to the Muzorewa team. A small but telling example was the failure of the post office, a mere two weeks before the election, to connect Mugabe's telephones at party headquarters.

What further lowered Britain's reputation for impartiality in the eyes of most Africans and the outside world was the extraordinary decision to allow South African troops to remain in Zimbabwe, in clear breach of Lancaster House. British arguments, logical yet politically nonsensical, that the presence of the South Africans—a mere few hundred just north of Beit Bridge, the border across the Limpopo—"would not affect the election" showed a remarkable ignorance of the most powerful symbols of hatred in black Africa. On January 30, three weeks after the South African presence was admitted, the force near the bridge withdrew, though over a thousand recent "volunteers" remained as part of units integrated into the old Rhodesian Army.

In defense of Soames, it must be conceded that his readiness to be lenient to the South Africans and the white-led security forces was largely motivated by the fear that Pretoria might at any time intervene militarily or that the white-led forces might revolt, should the British appear lax toward the guerrillas and their political representatives. It is true that the independent-minded security forces were itching to "have a go" at the assembly points on the slightest pretext, and Soames felt consistently obliged to "throw crumbs at the whites" (as a senior British official put it) to ensure that no mutiny took place.

In any event, the Soames policy was proven by its successful outcome—the holding of a reasonably free and fair election. This did add weight to his claim that it was of paramount importance to keep the South Africans and the white Rhodesian establishment quiescent at all costs, even if by so doing it appeared that Britain was partisan against the interests of Mugabe. But Soames could probably have called the white bluff rather more often than he did, in the interests of winning black goodwill, which could have been crucial after the election.

More pertinent is the question of what would have happened in the event of the indeterminate election result predicted by most

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observers. For Britain was undeniably all set to see Nkomo lead a coalition government even if Mugabe had won the most seats. Even if Mugabe had won 40 of the 80 black seats in the 100-strong assembly, it is highly possible that Nkomo would still have been asked by Soames to lead a government. The Constitution was quite clear. Soames was perfectly entitled to ask any politician who, in the Governor's view, could "command a majority in the assembly." Holding the middle ground as the man best able to win support from the widest spectrum of parties, Nkomo could, by refusing to join a government as second fiddle to Mugabe, have made it impossible for Mugabe to lead a government. Had Mugabe won over 40 but under 50 seats, it is probable but not certain that he would have been able to take the premiership with the compliance of Nkomo. Anything less and the British clearly hoped for a coalition government of national unity, led by Nkomo but including both Mugabe and Muzorewa. If Mugabe had rejected second place in a coalition, Britain would simply have granted power to an Nkomo-led coalition without him.

If Mugabe had been excluded, bloodshed would almost certainly have ensued on a worse scale than before. With a possible wavering of Mozambique's support for Mugabe, a Zambia-Nkomo-Muzorewa-South Africa axis of forces might have succeeded bloodily in imposing itself, but the likelihood is that it would have fallen apart in the face of guerrilla retrenchment. Even if it had succeeded, the emergent coalition would have been incalculably more accident-prone, unstable and ill equipped to govern than the party that actually emerged under Mugabe. For the driving desire of most Zimbabweans was not for a particular ideology, but simply for peace, and the eradication of inequities in their society. The near total failure of Muzorewa in his ill-contrived brief courtship of guerrillas, followed by attempted repression of them after the April 1979 election, told the people plainly that peace would only come with a guerrilla victory either in battle or at the polls.

The Ndebele and related Kalanga voted en masse for Nkomo, but (with around 19 percent of the total population) gave him only 20 seats. The Shona majority voted almost as a community and swung wholeheartedly behind Mugabe, giving him a resounding 57 seats—with only 3 for Muzorewa. It was obvious, whatever the threat of more war, that Muzorewa had lost the confidence of the people and that Mugabe, by his articulate reasonableness and conciliatory appeals before and after the election, was gaining

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that trust by the day. The logic of villagers and townspeople was proven right: peace returned almost overnight.

Soames' manner of governance before the election—severity toward Mugabe, leniency toward the whites and Muzorewa—was remiss in certain already stated respects but it did successfully steer him along the tightrope toward his first vital goal: the actual holding of the election. Thereafter, his real skill manifested itself in his swift recognition that Britain's sole recourse was the rapid if tardy befriending of the victor, Mugabe. Soames brilliantly succeeded in establishing a remarkable rapport with the black leader. It was fortunate for the British governor that the subordination of the victor's professed ideology to pragmatism soon became clear. For Britain and Soames, the stunning landslide victory became a blessing in disguise, for the political contortions and probable wrangling and international odium that would have accompanied a coalition-building process were all mercifully avoided. The rancor and blunders of the past were soon forgotten, along with Muzorewa and Smith. Soames' reputation soared. And it will be an enduring irony that in international terms, the reputations of Soames, Carrington and Thatcher were hugely boosted by the overwhelming magnitude of Mugabe's victory, which they had never intended. Soames' miracle was wrought with as much luck as skill.

## IV

Despite the history of bitterness and oppression in Zimbabwe and the internal violence within Mugabe's own party, the omens at his advent to power were more propitious than can ever have been expected. In the preceding two years he had achieved a greater measure of stability within the party than ever before. The black middle class, much more powerful in Zimbabwe than in other black states at independence, has swung hard behind this new leader. He also has the vital support of the white army commander, Peter Walls. And the clear-cut nature of his electoral victory, obviating the need for frail alliances, gives Mugabe the strongest possible starting point.

His first tasks are national economic reconstruction and social reconciliation. There is much talk of a likely crisis of expectation. Government economic advisers are against granting a series of large pay raises, but the current average urban wage of between $60 and $75 per month falls far below the estimated urban poverty datum line of $115 for a standard African family of six. Domestic

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servants and agricultural laborers often receive as little as $40 per month. Already, within a fortnight of the election, the new Labour Minister was forced to take a firm line against wildcat strikes sometimes in quest of payraises of over 60 percent.

However, the benefits of peace are so great that progress should assuage popular expectations for at least a year or two. The paradoxical advantages of Rhodesia's unilateral declaration of independence will also become clear, for the self-reliance foisted upon Rhodesia by U.N. sanctions will be a vast asset to Zimbabwe, much to be envied by many other Third World countries which are dependent on a few commodities whose prices on the international market can fluctuate wildly. Black economic betterment will be slow, but, provided political stability is established and enough whites remain to lend their expertise, the benefits of peace, the country's vast and diverse natural wealth, the strong infrastructure, and the people's long-tried patience should all ensure steady enough growth to turn the new Zimbabwe into one of the most prosperous states per capita in Africa.

Mugabe's apparent acceptance of the need to retain indigenous white economic skills also implies a caution that cancels out much of the Marxist and revolutionary rhetoric of exile. A close friend of Mugabe describes his economic and political model as "somewhere between Swedish social democracy and Tito's Yugoslavia." Mugabe hopes the peasants will move toward the collective in agriculture, but "by persuasion rather than by force." He has also stated a belief that the multiparty system is a "luxury a developing country cannot afford" but will be abolished "only with the people's consent." It is likely that during the transitional period of the next two years or so the more idealistic and experimental side of Mugabe's political nature will be suppressed in favor of the pragmatic. Whether there is a drift toward the authoritarian and the more strictly egalitarian will depend largely upon the activity of constitutional and unconstitutional opposition. It will also depend upon the ability of the mixed economy and the white civil service to accommodate Mugabe's broader ideals, and to deliver discernible benefits to blacks.

It is nevertheless likely that the one-party system will arrive fairly soon. In many African states such a system is seen, with some justification, as the sole device whereby tribalism, at any rate in formal terms, can be excluded from the body politic, since political parties in multiparty states invariably take on an ethnic tinge. This, indeed, is the case with Nkomo's ZAPU (which this year relabeled itself the Patriotic Front) and Mugabe's ZANU. In Zim-

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babwe, the move toward a one-party state would be facilitated by the political retirement of Nkomo, a giant in the Ndebele-Kalanga ethnic camp, though he shows no sign of wanting to bow out at present. He seems, in fact, reluctant to accept his party's defeat, let alone its submergence in a coalition. But if a referendum were to be held on the question of a one-party system, there is a strong likelihood that most people would say yes. The opportunity could come within five years.

At present the Patriotic Front (PF), as junior partner in the coalition, remains a dangerous potential source of conflict, with Nkomo currently bitter at his rejection outside his own ethnic group, particularly because he has always taken the utmost care to maintain a non-tribal national executive which is three-quarters Shona and embraces most ethnic groups in the country, including whites, Coloreds (people of mixed race) and Indians. Since his election defeat, Nkomo has accused Britain of rigging the election to favor Mugabe. He also felt cheated both by Mugabe's decision to give him only one of the 20 senate seats nominated by the premier or elected by the ZANU-dominated assembly, and by the allocation to the PF of just four ministers and two deputy ministers out of 36. In addition, the powers of Nkomo at the Ministry of Home Affairs have been clipped by the removal of rural administration (whose executive arm was the powerful white district commissioners in the tribal reserves) to the local government portfolio, while the police special branch and the intelligence service have also been removed into the Prime Minister's own care. Nkomo's party has begun to look again to its old Russian and Eastern bloc allies for support. Attitudes within Mugabe's party toward its coalition ally vary from lukewarm to extremely hostile.

This ill-feeling is particularly dangerous in the military sphere, where Mugabe has over 21,000 trained guerrillas against Nkomo's 12,000 or so in Zimbabwe. Nkomo's men, however, have been well equipped with newer and more sophisticated conventional weaponry, which they are reluctant to surrender to a central command. Further, though the coherence of the ZANU guerrilla leadership has been greatly weakened by Tongogara's death, the ZANU guerrillas will have to be persuaded to accept the new reformism in place of the revolutionary doctrine of the past. It will be a delicate task to demobilize as many of the estimated 33,000 guerrillas now in Zimbabwe as soon as possible. In the winding down of the armies—an essential process—no formula had been found as of mid-May to satisfy Nkomo's demand for military parity, which Mugabe's guerrillas are strongly resisting. Indeed,

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there have been increasing signs of insubordination by Nkomo's forces. Integration of the two guerrilla armies and the old Rhodesian Army is proceeding slowly, with only 600 men from each side so far undergoing joint training. Nor has it escaped the notice of Mugabe, who is also Defense Minister, that the broad ethnic mixture within the Rhodesian African Rifles (RAR), the old security forces' main black infantry regiment, is much more successful than that within the guerrilla armies. (ZANU guerrillas are almost entirely Shona, while Nkomo's forces may contain perhaps 10 percent Shona to 90 percent Kalanga and Ndebele.) Thus, under instruction from white Rhodesian and British officers, the RAR as much as the guerrillas may end up as the central part of the new Zimbabwean army. For Mugabe, the ZAPU-Ndebele problem will remain a dangerous threat.

The question of the whites is also likely to become exceedingly tricky after the present honeymoon is over. Due to years of previous propaganda which depicted Mugabe as a psychopath, his polished and persuasive appeals for reconciliation since the election have been enthusiastically received by an astonished white audience. But many whites will now find it hard to accept real social equality, for instance in hospitals and schools, where they erroneously hope that segregation by money rather than by law will still be the norm.

Furthermore, the likely growth of black authoritarianism in place of white, including the overt politicization of supposedly independent institutions such as the broadcasting media and press (recently subservient to Smith) and the university, will demoralize many whites. Many will find it hard to adapt to new customs of overt patronage likely to impinge fiercely upon the business world, while some of the fastidiously upheld standards of white Rhodesia will probably be sacrificed in the interests of rapid indigenization and social mobility among blacks. Mugabe has demonstrated his willingness to treat sympathetic whites with respect and generosity by appointing two whites to key ministries. But it is questionable whether many whites will remain. My guess is that in five years, only about 80,000 will have stayed, down from the 278,000 of eight years ago.

But even if the white community is unable to accept the new world, it is important for Mugabe's economic plans that the process of white withdrawal be orderly. Much depends on the Prime Minister's ability to impose his newly adopted views forcefully upon his central committee, the powerhouse of his party. Decisions in ZANU have tended to be taken very much by consen-

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sus, in keeping with Shona tradition, in contrast with Nkomo's ZAPU, where the writ of the leader has been far more keenly felt. Indeed, one of the secrets of Mugabe's arduously won success, in party terms, has been his ability to allow everyone his or her say before molding a unanimously agreed-upon policy. Hence, decisions often take exhaustingly long to reach—witness the countless all-night sessions at Lancaster House, and Machel's frequent impatience when dealing with ZANU in Mozambique. The different shades of opinion that still exist within ZANU could threaten to rekindle the flames of factionalism that Mugabe has done much to quench since the dark days of Chitepo's death. The central committee—currently around 27 active members—is a cumbersome parallel body to the new Cabinet, and may have to be sidelined for the government to perform effectively. But party traditions could make that difficult.

Mugabe's first cabinet was a clear attempt to balance the groups within the central committee. The placating of ZAPU, as Nkomo's friends have pointed out, was not Mugabe's prime concern, nor was his appointment of whites. It was the choice of ministers *within* ZANU that was most important, with portfolios very evenly distributed between the two largest of the five main Shona-speaking groups, the Karanga and the Zezuru, and the third largest, the Manyika, only just behind. It would be wrong to characterize ZANU as simply divided into ethnic factions, though ethnic strife (between Karanga and Manyika) was certainly a key factor in the Chitepo debacle. But the two main, though loose, groupings within ZANU, focused on Deputy Prime Minister and Party Vice President Simon Mzenda and on Secretary General and Manpower Minister Edgar Tekere, do tend to attract Karanga and non-Karanga (mainly Manyika and Zezuru) respectively.

Nor is ideology the main bone of contention between the groups, though in past periods of discord it has been invoked on every side. Nothing better illustrates this lack of real ideological depth than the readiness of those professedly left-wing dissidents imprisoned under the party's aegis in Mozambique to realign themselves with "reactionaries" on their release just before the 1980 election. Of the 74 former detainees, most of whom had been categorized as "Maoist" or "pro-Soviet" and nearly all of whom had castigated Mugabe as a "sellout" (Uncle Tom), about half joined Sithole, and a similar number Nkomo, while half a dozen went over to the bishop. Ideological aspirations evaporated quickly.

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In the case of Mzenda and Tekere, temperament rather than ideology is the key. Mzenda, the older man, is cautious, conservative and by nature conciliatory. For instance, he counseled the "rehabilitation" of the dissidents in 1978, while Tekere urged that they be shot. Tekere is forceful, aggressive and as powerful in the party as Mzenda. In the emotive matter of policy toward whites, for instance, Tekere's and his associates' temperamental reluctance to advocate gradualism might push economic considerations aside. But that is hardly a matter of ideology. Apart from the whites, Tekere's associates were not keen to include *any* members of ZAPU in the Cabinet. Tekere is particularly hostile to Nkomo, and his group has been in the ascendant since the ZAPU leader's secret August 1978 meeting with Smith in Lusaka, an act of downright treachery in ZANU eyes. It should be emphasized, however, that the groupings are loose, and that Mzenda and Tekere each have close colleagues who do not fit the stereotypes described above. But it nonetheless holds true that the prevailing mood of Tekere's group will make it temperamentally difficult for it to attune to Mugabe's new, gentle tones.

Mugabe himself has managed to stay majestically above the groupings within the party. That is another aspect of his success. He has been the focus of a laboriously sought consensus, a juggler, a spokesman, an arbiter. Now he will have to strengthen his own base through the machinery of government at his disposal, through the Prime Minister's office and the Defense Ministry, and through the intelligence services. His need for administrative cut and thrust is likely to reduce his deference to the long-winded deliberations of the central committee in favor of the skilled bureaucracy he has inherited. Indeed, he may look increasingly to his technocratic friends and to those without a personal base within the party, such as Emmerson Munangagwa, minister in the Prime Minister's office and head of intelligence; Rex Nhongo, a curiously lone figure despite the guerrilla leadership thrust upon him since Tongogara's death in December;[2] Nathan Shamuyarira, a university professor, Minister of Information but not yet a member of the central committee; and Bernard Chidzero, a senior figure at UNCTAD in Geneva, whose allegiance until recently has been to a broad nationalism and not specifically to ZANU (at Geneva he offered his services to Muzorewa and Nkomo as well). All these friends owe their primary allegiance not to groupings within the party but to Mugabe.

[2] There is no evidence that Tongogara's death was caused by foul play, though many nationalists assume that to have been the case.

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His choice of Cabinet does, however, indicate a need to attend to the traditional needs of the party balance. His appointment to the Finance Ministry of the erratic Enos Nkala, a belligerent old-style nationalist who had spent 15 years in detention, was a gesture to militant ZANU nationalism and shocked the bureaucrats. But Nkala's powers will be trimmed by the creation of a new Ministry of Planning for Chidzero, a conservative reformist, while other key economic ministries go to a wealthy, pragmatic white farmer not formally connected with politics in the past, Dennis Norman, who controls agriculture, and to the deputy leader of the old ruling Rhodesia Front, David C. Smith, who takes the commerce and industry portfolio.

It is another irony of the new Zimbabwe that Mugabe himself is probably one of the few genuine ideologues in the party, and stands to the Left in ZANU, despite the present pragmatism, which he may or may not countenance beyond the transitional few years. Mugabe is a puritan of deeply felt egalitarian instinct. Many of his new MPs are not. Despite some of the already noted queries over the temperament of some central committee members, it has already become patent that the austere past life in exile is rapidly giving way to an obvious (perhaps too obvious) enjoyment by senior party men of the fruits once reserved for whites alone. Most ministers are moving into expensive houses in the smartest white suburbs of the past. Indeed, some of the new political elite may be too readily acquiring a taste for the benefits of office. Many white businessmen are delighted at how fast the fruits of consumer capitalism are replacing the deprivation of exile, but in the longer term a new elitism could pose a dangerous threat to the nation's equilibrium.

In terms of sheer ability, few observers would contradict Soames' assessment that Mugabe is "head and shoulders above his colleagues." It is impossible to predict, however, whether he will, once he has consolidated his position, gradually reassert the radical egalitarian ideals of the past, or whether he will be "converted" to a belief in the lasting benefits of a mixed economy and a relatively open society.

## V

The regional effect of Mugabe's victory will be profound, not just in its repercussions within South Africa, but also in the debate on political and economic development in neighboring black Africa. Many lessons are already being learned from the election landslide—especially south of the Limpopo. The essential psycho-

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logical turnabout is that Zimbabwe now faces northward rather than to the south. South Africa knows that the continuing relative backwardness of its black neighbors is the prime safeguard for the apartheid state. While the Republic will continue to strive toward self-sufficiency in all economic areas, even in oil (which is being expensively produced as a by-product of coal), and in conventional and perhaps even nuclear arms. At the same time, Pretoria is intent upon forging as close economic links as possible with its potentially hostile neighbors, to nullify any possible intention on their part to encourage insurgency or participate in economic boycotts against South Africa.

Yet the black countries' plans for regional economic cooperation to oppose South Africa's "constellation" idea look, at this early stage, very much embryonic. The Lusaka meeting of the nine black states, including Zimbabwe, on April 1 and 2, 1980, produced some significant political messages, but they will be hard to translate into economic reality in the short term. Botswana, Lesotho and Swaziland reasserted their commitment to eventual independence of the apartheid economy, though they are currently tied to South Africa by a customs union. At Lusaka, Malawi, the black state probably on friendliest terms with South Africa, also—for the first time—declared its solidarity with the black group.

At present, however, South Africa's relative economic power suggests that the regional reorientation proposed at Lusaka will be a gradual process. According to the *1978 and 1979 World Development Report*, published by the World Bank, the total exports of all the countries represented at Lusaka except Zimbabwe amount to less than a third of those of South Africa and Namibia.[3] In African continental terms, apart from South Africa's well-known mineral assets, it produces 25 percent of the continent's entire gross national product, 90 percent of its steel, 50 percent of generated power, 47 percent of telephones, 44 percent of motor vehicles, 40 percent of all manufacturing, 30 percent of all cement.[4] Exports are no longer broken down country by country, but it is reckoned that 16 percent of the total are sold to black Africa. In this context, of particular note is the export of primary and processed foods, which are often vital to the political health

[3] Unofficial sources put Zimbabwe's 1979 trade figures at: exports, $700 million; imports, $585 million (Tony Hawkins, "Survey of Zimbabwe," *The Financial Times* [London], April 22, 1980).

[4] Figures of the South African Foreign Trade Association, Johannesburg.

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of such states as Zambia and Zaïre, and machinery and spares for essential mining and industry.

Despite OAU calls for boycotts of all South African goods, many African states trade heavily with Pretoria. Mozambique's transport system, its railways and harbors, is largely dependent on South African expertise and financed in large part by traffic dues on South African exports, 17 percent of which pass through the port of Maputo. Of Zambian and Malawian trade, 30 percent and 35 percent, respectively, is with South Africa. Mining machinery is exported to Ghana, hardwood is bought from Congo-Brazzaville, many of the francophone countries have trade links, Nigeria is said to import food through third parties. Last year Kenya bought $11 million worth of corn, marked as produce of Mozambique.[5] South African diamond technology and marketing is utilized in Angola, Tanzania and Sierra Leone. Many of the trappings of the Lusaka Commonwealth Conference in August 1979 were brought from South Africa. Even as the April 1980 Lusaka conference took place, new air routes between Johannesburg and Lusaka were being opened, though there was a slight delay so as not to embarrass the conference participants.

The most obvious initial way to counter South African economic hegemony in the region is to develop alternative transport routes. With Angola's Benguela Railway inoperable to through traffic due to Jonas Savimbi's UNITA guerrillas and with Dar es Salaam's port congested and mismanaged, Zambia has sometimes found itself entirely dependent on South African railways for its copper exports in the past year. With Zimbabwe now independent and the routes to Beira and (less importantly) to Maputo soon functioning, the regional transport system should gradually reduce its dependence on South Africa. If Namibia were to become independent, a rail link westward to its Atlantic coast is also a possibility. In the past, however, attempts to look northward have sometimes backfired. The Bot-Zam road link, for example, designed to facilitate Botswana's northbound trade with Zambia, has simply become an extra conduit for South African goods conveyed more easily by road to Zambia and beyond to Malawi.

The cost of regional transport development is frightening to the black states. At Lusaka in April, it was reckoned that the necessary improvements would cost around two billion dollars, practically all of it to be borrowed from abroad. Western moneylenders are becoming increasingly tough in their loan conditions to Third

[5] *The New York Times*, April 5, 1980.

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World countries, many of which are in danger of defaulting on debt repayments. (Zimbabwe itself is, in fact, greatly underborrowed in relation to other developing countries.) Indeed, increasingly stringent conditions for loans from the International Monetary Fund (IMF) and World Bank are sometimes interpreted by black African states as attacks on the sovereignty of poor nations caught up in a cycle of dependency on others. But the Lusaka Conference proposed the establishment of a Southern African Development Fund, to be administered in cooperation with the African Development Bank. The Lusaka nine are due to meet again in Zimbabwe in September, and there will be an aid donors conference in November.

The unblocking of the Zimbabwe stalemate has brought an important pyschological lift. As Machel put it at Lusaka: "We must liberate the minds of our technocrats enslaved by South Africa." President Kenneth Kaunda of Zambia spoke hopefully of "our transcontinental belt." Though it could take long to bear fruit, the regional concept could eventually prove fertile. It offers a key weapon in the slow process of isolating and removing apartheid.

But in the immediate future, the short-term interests of individual states could provide the same sort of stumbling block that destroyed the East African Community (comprising Kenya, Tanzania and Uganda). For instance, it is possible that Zambia could be tempted to impose tariffs against certain Zimbabwean goods, should Zambian manufacturing industry find itself threatened by cheaper and better goods from its newly independent southern neighbor, just as Tanzania resented Kenya's ability to flood the Tanzanian market. In the end, the rigorous management of individual countries and the reinvigoration of their political models may be the fundamental prerequisite, often at present painfully lacking, for black southern African countries wishing to rid themselves of their current economic subordination to the apartheid economy.

In this context, Mugabe could be looked upon in black and white Africa as a guiding light to the future. In Afrikaner eyes, Mugabe's election success has cast a further question mark over the decolonization process in Namibia and may force South Africa to reassess its opposition to the South West Africa People's Organization (SWAPO). Perhaps more important, if the Mugabe experiment succeeds, is the likely reaction in Mozambique and Zambia. Machel is already showing signs of rethinking economic policy and moving toward more free enterprise. He is also looking

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increasingly for Western investment. Like Zambia, Mozambique has tended to blame its economic shortcomings on the Zimbabwean war, which has indeed been responsible for immense damage to the health of neighboring states. Mozambique was even more seriously harmed by the exodus shortly after independence five years ago of around a quarter of a million white Portuguese, which left a huge vacuum in the ranks of middle and upper management and even among skilled workers and artisans. Politically, the ruling FRELIMO party under Machel has retained some of its revolutionary momentum and idealism. But if Zimbabwe maintains its economic vigor, the Mozambique ideologues who preached a rigid observance of Marxist economic doctrine are likely to come under severe pressure. Signs of this are already apparent. Although party organs have denied that the removals of Marcelino dos Santos, former Vice President, from the Ministry of Planning, and of Jorge Rebelo from the Information Ministry, were demotions (the two continue to hold important positions in the party), it is probable that the more thoroughgoing left-wingers in government will come under attack. Political and armed dissidence within Mozambique, fueled previously by the Rhodesian government, may be more serious than admitted. Machel, whose country is beset with shortages in many basic commodities, knows he must take fast political action to avert social and economic instability. The next year is likely to see startling economic and political changes in Mozambique, but the pace will depend on Mugabe's success in Zimbabwe.

Zambia is politically no less frail than Mozambique, and Kaunda's own reputation is now lower at home than that of his Mozambican counterpart. The early months of Mugabe's rule have already injected fresh breath into Zambian technocrats. This group has been increasingly frustrated by Kaunda's reliance on the political old guard who have grossly mismanaged the administration. The rhetoric of humanism has far too long sounded hollow against the backdrop of the privilege and luxury enjoyed by much of the Zambian political elite. The refusal to allow any candidate to stand against Kaunda for the presidency in 1978 is increasingly resented by the technocrats today. If Mugabe continues to condone a lively capitalist-oriented economy and a measure of political freedom in Zimbabwe, they will be crying out for economic and political changes in Zambia too. A well-known banker (Elias Chipimo) and several former ministers, all of them able technocrats, have been publicly singled out by Kaunda as "traitors" for suggesting that a return to multiparty politics would

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be beneficial. The poor state of Zambia's ruling and single party, UNIP, does not itself prove the one-party system unworkable, but it is a sharp example of how easily a one-party state can become politically moribund if direction and example among senior politicians are lacking.

As for South Africa, Mugabe has demonstrated the futility of political half-measures designed to satisfy a restless and disenfranchised black majority. Mugabe's victory, above all, has emphasized the attraction of militant nationalism. Since Lusaka's April meeting, South Africa must also increasingly realize that any formal acceptance, let alone encouragement, of South Africa's economic regional mastery is deeply abhorrent to black states, and any attempt to reconcile South Africa's white establishment with black Africa can only succeed through the total abolition of apartheid. Yet it will be important for the psychology of white South Africans, if they are to attune themselves to drastic change, that Mugabe's government turn out to be more tolerable for a substantial number of whites in Zimbabwe than white South African public opinion has generally predicted.

South Africa will inevitably become increasingly isolated from the outside world. But if regional pressures on South Africa are to be effective, the continuing international hostility needed to force the pace of reform in South Africa should be accompanied by massive assistance from the West to those black states which met at Lusaka and whose present economic connections with South Africa take the sting out of their capacity for opposition. Zimbabwe can indeed, despite the pitfalls, become the new hub of an alternative constellation of southern black states.

So far, however, aid to Zimbabwe has been only a tiny proportion of what it needs. The British contribution, so far the largest, has been an insubstantial £75 million over three years, while U.S. promises have been meager.[6]

Yet, from the Western point of view, Mugabe's victory has so far entailed considerable if surprising political benefits. Although the Soviet Union had in the past two years begun to put out feelers to Mugabe, its interest had remained primarily in the Nkomo camp. As Mugabe recently put it: "We are not cold toward the Soviet bloc. They have been cold to us." In the past two years, Russian weaponry had begun to flow to ZANU through

[6] So far the United States has given $2 million for the rehabilitation of provincial medical services, promised $13 million more during the current fiscal year (ending September 30) and has indicated that $25 and $30 million may be forthcoming next year, pending congressional authorization.

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Ethiopia and had long been received through the OAU Liberation Committee, which passed on supplies to the two guerrilla parties equally. But Mugabe's preferred friends have always been China, Romania, Yugoslavia and states such as India and Pakistan, along with Tanzania and Mozambique.

Mugabe has, in fact, been cold toward the U.S.S.R. since independence. His refusal to invite delegations from the Soviet Union's closest Eastern bloc allies to independence celebrations was widely seen as a snub. It has been clear from the wording of radio broadcasts from Moscow and Prague that Mugabe's wholesale victory was not entirely welcome to Moscow. Nor can Mugabe's decision to invite the BBC to assist the state broadcasting service, and British officers to assist the army and police, have much gratified the Russians.

There is an increasing recognition by African states which have experimented with collectivist economic models that the U.S.S.R. has little to offer in development aid or investment. Even on a personal level, the reputation of—for example—Russian technical assistants in Mozambique is said to be low. American policy toward Africa under Carter has, with considerable assistance from Ambassadors Andrew Young and Donald F. McHenry, been widely appreciated in many African and Zimbabwean circles. Indeed, some ZAPU cadres, now thinking of strengthening old ties with Moscow, have actually been blaming a conspiracy of the United States, Britain and China for "rigging the election" in Mugabe's favor.

Despite the generally alleged bias of Britain against Mugabe during the election campaign, many Africans were favorably impressed by Britain's ability to hand power peacefully to its apparently least loved candidate. That action alone, in the minds of many African observers, has won massive dividends in the superpower competition for friendship in Africa.

The U.S.S.R., however, is the chief financial supporter of the most important black nationalist movement in South Africa, the African National Congress, while the West continues to be hamstrung by its massive economic investment in apartheid. Zimbabwe is now South Africa's key front-line state, and—whatever Mugabe's protestations to the contrary—will almost certainly find itself entangled in the struggle of South African blacks for self-rule. Against the odds predicted a year ago, Mugabe has initially shown a remarkable and willing flexibility in his dealings with the West. It would be foolish if the West—in particular the United States and Britain—failed to respond with as much economic and political sympathy as it can muster.

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*William M. LeoGrande*
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# OLIGARCHS AND OFFICERS: THE CRISIS IN EL SALVADOR

Not since Vietnam has the domino theory enjoyed such currency in Washington. Less than a year after Nicaraguan President Anastasio Somoza was driven from Managua by the first Latin American revolution in two decades, neighboring El Salvador teeters on the brink of full-scale insurrection. In truth, El Salvador has hardly had a government over the past 12 months. The nation's nominal rulers have long since lost control of their own security forces and today stand isolated amidst a rising tide of political violence from both Right and Left.

In Washington, policymakers are searching desperately for a solution to El Salvador's complex political equation, but the answer remains as elusive as the opening to a Chinese box. The current crisis may have no exit short of civil war—a bloody denouement that would not only shred the social fabric of El Salvador but would also pose grave risks to regional peace. Current U.S. policy, while designed to avoid such a conflict, is not working. While the United States has successfully thwarted two rightist attempts to overthrow centrist governments, the Salvadorean junta today is no closer to finding a permanent solution to its political crisis than it was when it came into power six months ago. The junta's impotence stems from its isolation; it has yet to create for itself any significant base of political support. Such isolation has been a chronic problem for Salvadorean governments, and it is only by overcoming this historical dilemma that the current crisis can be permanently resolved.

II

El Salvador is burdened with the most rigid class structure and worst income inequality in all of Latin America. For over a

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century, the social and economic life of the nation has been dominated by a small landed elite known popularly as "the 14 families" (*Los catorce*), though their actual number is well over 14. The family clans comprising the oligarchy include only a few thousand people in this nation of nearly five million, but until recently they owned 60 percent of the farmland, the entire banking system, and most of the nation's industry. Among them, they received 50 percent of national income.

The tensions inherent in such a social structure are exacerbated in El Salvador by severe population pressure on the land. With over 400 people per square mile, population density is the highest in Latin America. Over 200,000 peasants are landless—a more severe imbalance of land and labor than in Mexico. Unlike most of its neighbors, El Salvador has no undeveloped territory for surplus agricultural labor to colonize; cultivation already extends up the slopes of even active volcanoes. Illegal emigration (to less populous Honduras) acted as a safety valve for the potentially explosive situation in the countryside until the 1969 "soccer war" closed the border. An expanding manufacturing sector offered another alternative to rural laborers in the decades after World War II, but the war with Honduras also pushed the economy into a recession from which it has never fully recovered.

The dominance of the oligarchy and the persistence of rural poverty produced an immense potential for class conflict. For decades, the oligarchy's primary political objective has been to prevent this latent conflict from erupting into class war. Despite its economic preeminence, the Salvadorean oligarchy has exercised political hegemony indirectly. The military has ruled El Salvador since 1931, and the history of the nation's governance has largely been a history of the twists and turns in the political alliance between oligarchs and officers.

This alliance was forged in 1932 when the armed forces took control of the government to suppress a massive peasant uprising. The insurrection, endorsed but by no means controlled by the Salvadorean Communist Party, was crushed at a cost of some 30,000 dead.[1] The psychic scars left by this abortive revolution and its suppression disfigured the nation's political culture in ways that are still evident. For the oligarchy, the growth of even moderate opposition has always raised the specter of 1932. A strong current of belief persists among the oligarchs that the threat

[1] For a history of this period, see Thomas Anderson, *Matanza*, University of Nebraska Press, 1971.

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of revolution can only be effectively met as it was in the 1930s—by bloody suppression.

The military has shared the oligarchy's fear of revolution, though it has occasionally opted for reform rather than repression as a more reliable bulwark against the Left. The coup that has come to be known as the "revolution of 1948" brought to power a coalition of young military officers with a modernist vision. Motivated not only by the fear of radical revolt but also by their desire to see El Salvador develop economically, this modernizing military embarked upon a program of "controlled revolution": moderate reforms (none of which challenged the dominance of the oligarchy) blended with heavy doses of political repression for radical opponents. The oligarchy tolerated such reformism because it promised modernization without structural change, and because an authoritarian regime centered in the armed forces seemed to offer security against the Left.

This practical partnership between oligarchs and officers gave birth to an electoral system that was largely a charade. Moderate opponents could vent their views in periodic elections, but control of the government was reserved for the military's own political party, the Revolutionary Party of Democratic Unity (PRUD). Perpetual electoral victory for the PRUD was guaranteed by the military's power to count the ballots.

The developmentalist program of the military modernizers stimulated economic growth, but yielded no improvement in equity. With economic growth came demographic growth of the urban middle and working classes, both of which bridled at the military's monopoly on politics. At issue was whether the military and its oligarchic partners would allow the creation of a system of politics—i.e., an institutional process for reconciling the conflicting political demands of the nation's significant social groups. The oligarchs preferred the security of authoritarianism to the uncertainty of electoral competition.

The officers were less unanimous. In 1960, a rising tide of civil unrest disrupted the prevailing political consensus within the armed forces. Alarmed at the regime's unwillingness to open the political process and fearful that such rigidity could lead to revolution, progressive officers joined with civilian opposition leaders to depose the PRUD government. The new government promised to accelerate the pace of social reform, offering a program similar to what the Peruvian armed forces would propose eight years later. Such reforms were beyond the oligarchy's threshold of tolerance; it mobilized its conservative supporters within

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the armed forces, who toppled the new government by countercoup after only three months.

The political system built after the countercoup was a carbon copy of what had gone before. The PRUD was dissolved, but then resurrected as the Party of National Conciliation (PCN). Like its progenitor, the PCN was dedicated to modest reform and political liberalism within the confines of military rule. The PCN also reestablished the military's working partnership with the oligarchy; its program of social reform left unscathed the socioeconomic foundations of oligarchic power.

The deterioration of the Salvadorean economy in the wake of the 1969 war with Honduras set the stage for political turmoil in the 1970s. The proximate cause, however, was the same as it had been in 1960—the military's determination to maintain its monopoly on politics (by electoral fraud if necessary) rather than relinquish power to its civilian opponents. Despite its electoral facade, the Salvadorean polity in 1970 was no closer to having an open political process capable of producing the orderly resolution of political conflict than it had been a decade before.

By 1970, Christian Democrats (PDC) had become the principal focus of opposition. Indeed, the PDC's strength virtually preempted any growth on the far Left. In the late 1960s, when virtually every government in Latin America faced guerrilla challenges inspired by the Cuban revolution, in El Salvador there were none.

The opportune time for a "centrist solution" to El Salvador's socioeconomic ills came in 1972 when the Christian Democrats stood at the summit of their popular support. By all informed accounts, the PDC won the 1972 presidential election. The PCN was able to snatch victory from the jaws of electoral defeat only through blatant fraud and brutal suppression of the resulting protests. As if acting from the script written a decade earlier, the progressive wing of the armed forces joined with PDC leaders to attempt a coup. Unlike 1960, however, the attempt failed, leaving conservative officers in control of the military.

Even the pretense of political liberalism was jettisoned forthwith. The Christian Democrats became the principal target of government repression, which destroyed the party's effectiveness as an electoral opposition, and with it the viability of electoral opposition per se. Most of the PDC's leadership was driven into exile and most of its rank and file was driven to the Left. The PDC contested the presidency once more in 1977, but the result was a foregone conclusion.

The government's assault on the center also created the far Left.

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Three guerrilla organizations began operating during the 1970s and expanded as the center was demolished. The Popular Forces of Liberation (FPL) was founded in 1970 by radical university students and dissident Communist Party members. A year later, another group of dissident communists joined with radicals from the Christian Democrats to form the Revolutionary Army of the People (ERP), which split in 1975, leading to the creation of the Armed Forces of National Resistance (FARN).

The most impressive gains on the Left were made by the "popular organizations." Begun at mid-decade, these coalitions of peasant, worker, and student unions pressed demands for immediate social improvements by staging mass demonstrations and acts of civil disobedience. There are three major popular organizations: the Popular Revolutionary Bloc (BPR); the United Popular Action Front (FAPU); and the Popular Leagues of the 28th of February (LP-28), named for the day in 1977 when security forces killed over 100 demonstrators. Though their demands and tactics are similar, political differences among the popular organizations prevented them from mounting any joint actions until early 1980. Most of those differences centered upon the proper long-term strategy for bringing the Left to power, and also reflected rivalries among the armed groups with which the popular organizations are affiliated.[2]

The growth of the Left terrified the oligarchy, which responded by financing death squads on the right (e.g., the White Warriors' Union, the White Hand, the FALANGE, and others). Local political activists, including peasant leaders, trade unionists and priests, were the principal targets of the death squads during the late 1970s. As in other nations, the paramilitary Right is widely suspected of having links to the government's security forces.

As the 1977 presidential election approached, the second reign of the military modernizers showed unmistakable signs of decay. The government's sporadic attempts to enact a modest agrarian reform law between 1973 and 1976 were blocked by the influence of the oligarchy and the Defense Minister, Humberto Romero. The moderate opposition, led by the Christian Democrats, was in retreat under the drumfire of repression, while both the armed and popular wings of the Left were gaining strength. The oligarchs, meanwhile, were funding their private paramilitary minions. In the face of this growing crisis, the PCN signaled its

[2] The Bloc is affiliated with the FPL; the Popular Leagues with the ERP; and the FAPU with the FARN.

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determination to hold fast rather than compromise by nominating the conservative General Romero for the presidency. He won, of course.

III

With Romero's election, the regime of the military modernizers became, in effect, a regime of military conservators. Despite popular demands for access to the political process, the authoritarian military regime refused to create a political order it could not control. By its refusal, it produced instead political disorder which no one could control. The rapid deterioration of El Salvador's moribund polity began in earnest after Romero's election.

As so often happens with regard to Latin America, the United States did not become very concerned about El Salvador until the crisis was well underway. A small nation of little strategic importance or economic interest, El Salvador has seldom attracted much attention in Washington. Bilateral relations have ordinarily been governed by regional policies which the United States fashioned in response to exigencies elsewhere. The result has not always been wholly sensible. When counterinsurgency was thought to be an antidote to Cuban-style revolution, and the United States lavished security assistance on Latin America, El Salvador received some four million dollars worth between FY 1961 and FY 1970 even though it had no revolutionaries to speak of.[3] It did, however, have a military government which inevitably perceived the flow of arms as an endorsement.

Military assistance to El Salvador was interrupted when Congress began introducing human rights concerns into the allocation of U.S. foreign assistance. In early 1977, El Salvador joined Guatemala, Brazil and Argentina in rejecting further arms aid because critics in the United States found their human rights records dismal. Previously authorized aid continued to flow to El Salvador, but no new authorizations were made until 1979. Concomitantly, economic aid was cut by half, from approximately $20 million to $10 million.

El Salvador first attracted high-level attention in the Carter Administration in June 1977, when one of the right-wing death squads, the White Warriors' Union, accused the Salvadorean Catholic Church of promoting communism, and threatened to kill all the Jesuits in the country. Since several activist priests had

[3] Don L. Etchinson, *The United States and Militarism in Central America*, New York: Praeger, 1975, pp. 95–96.

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already been assassinated, the threat was not taken to be an idle one. Under pressure from U.S. church groups and members of Congress, the Carter Administration launched an intensive campaign to convince General Romero that El Salvador's relations with the United States depended upon preventing the prospective massacre. To underscore its concern, the United States vetoed a $90 million Inter-American Development Bank loan to El Salvador.

The effort was an apparent success. The slaughter of the Jesuits never materialized (though half a dozen more priests were assassinated over the next two years); the activities of the death squads subsided temporarily (reinforcing suspicions that they were operating with official sanction); and the Romero government itself began to ease official repression. In the hope of reinforcing what it took to be liberalization, Washington granted approval for the loan in October.

Unfortunately, this change in policy, intended as an incentive, was interpreted as irresolution. Less than a month later, the government responded to the assassination of industrialist Raúl Molinas Canas by passing the draconian Law for the Defense and Guarantee of Public Order. The Public Order Law effectively made it illegal to oppose the government in any fashion whatsoever. It instituted press censorship, banned public meetings, outlawed strikes, made it a crime to disseminate information that "tends to destroy the social order," and suspended normal judicial procedures for such offenses. Mere suspicion was specified as grounds for arrest. The day after this law's passage ended any pretense of democracy in El Salvador, U.S. Ambassador Frank J. Devine, speaking to the Salvadorean Chamber of Commerce, endorsed the right of governments to do whatever is necessary to maintain public order.[4]

Far from restoring stability, the Public Order Law accelerated the spiral of political violence and institutional decay. The clandestine guerrilla organizations proved to be beyond the reach of the government's security apparatus or the paramilitary right, so the brunt of the repression fell upon the more accessible moderates. The remnants of the PDC and the social democratic National Revolutionary Movement (MNR) were silenced, leaving only the courageous Archbishop Oscar Romero (no relation to the President) as a public spokesman for the moderate Left. Even the

[4] *The New York Times*, May 8, 1978, p. 1.

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church was vilified by government propaganda, and the death squads resumed their assassination of priests.

The radical Left met the wave of official violence with a counterwave. The armed groups stepped up the bombings, assassinations of government officials, and kidnappings of businessmen both foreign and domestic. The popular organizations began a campaign of occupying government offices and foreign embassies to demand the release of prisoners arrested under the Public Order Law.

Frustrated at its inability to control the growing popular opposition, the military government made one major attempt to demolish its largest foe, the Popular Revolutionary Bloc. Following a March 1978 street demonstration that ended in violence, the government unleashed the largest of the paramilitary rightist groups, ORDEN, on the peasants of San Pedro Perúlapan, a stronghold of Bloc support.[5] In San Pedro ORDEN conducted a reign of terror akin to that unleashed by Somoza's National Guard in 1975. The effect was also similar; it further radicalized the rural population, widened the gulf between the government and its moderate opponents, and attracted widespread international condemnation. In late 1978 and early 1979, a series of human rights reports from Amnesty International, the International Commission of Jurists, the Organization of American States, and the U.S. Department of State unanimously condemned the Romero government for its systematic torture, murder and persecution of political dissidents.

When the mediation efforts in neighboring Nicaragua brought the political crisis there to a temporary stalemate in early 1979, the Carter Administration turned its crisis diplomacy to the burgeoning conflict in El Salvador. Abandoning its embarrassing silence on the effects of the Public Order Law, Washington began urging Romero to reduce the level of official violence. As a conciliatory gesture aimed more at Washington than at the opposition, Romero agreed to lift the law in late February. The effect was negligible; political violence from neither the government's security forces nor the paramilitary Right abated.

The fall of Somoza in July conjured up images of Central American dominoes in Washington and prompted a major review of U.S. policy toward the region. Advocates divided roughly into two camps. Those seeking a restoration of military aid to El

[5] ORDEN (short for the Democratic Nationalist Organization) was created in 1968 as a civilian auxiliary to government security forces in the countryside, and grew quickly to a membership of between 50,000 and 100,000.

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Salvador, Guatemala and Honduras argued that the prospects for order would best be ensured by reinforcing the existing military regimes, even at the expense of human rights. The opposing view, which ultimately prevailed, held that the *anciens régimes* of Central America had become obsolete and could not be sustained in the long run. Rather than enlisting on the side of military dictatorships that faced eventual extinction, this view ran, the interests of the United States would be better served by policies aimed at managing the inevitable social and economic change. Implicitly, such management meant—as it had under the Alliance for Progress—a search for "openings to the center" and policies to promote the center while containing the Left.

Rent by escalating political violence, El Salvador moved quickly to the top of the policy agenda. The Carter Administration resolved not to repeat the mistakes it had made in Nicaragua, where it failed to break fully with Somoza and enlist wholeheartedly on the side of the moderate opposition until the eleventh hour—several hours too late. Washington pressured General Romero to move El Salvador's political conflicts back into the electoral arena where the Christian Democrats and the social-democratic MNR could retrieve the political initiative from the Left.

Romero responded with promises of reform, including a pledge that the 1980 congressional elections would be internationally supervised to ensure fairness. But he was adamant in his refusal to reschedule the presidential election, which was not due until 1982. Convinced that the tattered fabric of El Salvador's polity would not hold together until 1982, the United States was not satisfied. Neither was the opposition. Even the moderates refused to confer with the government on its promised reforms until the violence of the security forces was ended. Romero would not or could not end it.

By trying to accommodate the United States, Romero undercut his own support on the Right. As order unravelled, so did the partnership between the oligarchy and the armed forces. The government's obvious inability to contain the Left was, in effect, a failure to meet its part of the implicit political bargain struck between the oligarchy and the conservative PCN. Romero's willingness even to suggest a relaxation of repression while the Left was gaining ground signaled to the oligarchs that the government could no longer be trusted to provide for their security. Since the government was no longer reliable, the oligarchs took their defense into their own hands, and violence from the paramilitary Right escalated sharply. That the oligarchs still had allies within the

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military is confirmed by the fact that, despite Romero's promises, the behavior of the security forces did not change. By the fall of 1979, El Salvador was descending into chaos.

IV

On October 15, 1979, the Romero government was ousted in a bloodless coup led by two young and apparently progressive colonels. Charging Romero with corruption, electoral fraud and human rights violations, the colonels committed their new government to a thorough reform of the nation's "antiquated economic, social and political structures." The oligarchic system, they charged, had not offered the people even "the minimal conditions necessary to survive as human beings."

The colonels moved quickly to establish a popular base by inviting the moderate opposition into the government. Three moderate civilians joined the colonels in a ruling junta, and the cabinet was drawn almost entirely from the centrist political parties. In a dramatic break with the past, the junta also called for support from the country's previously excluded militant Left, saying that the Left "must understand that the government is no longer their enemy." To gain such support, the junta promised an ambitious program of reforms drawn largely from the Common Platform, a list of demands issued in September by a coalition that included all the major centrist parties and one of the Left's popular organizations, the Popular Leagues. The junta pledged to end the repression, create a democratic political system, and institute a wide range of economic policies aimed at improving the plight of the poor. Most important, it promised agrarian reform.

The popular response to these proposals was mixed. Though the moderate opposition parties joined the new government immediately, Archbishop Oscar Romero was more cautious in his endorsement. Acknowledging the junta's good will, he warned that the nation's new rulers could rally popular support only by demonstrating that their "beautiful promises are not dead letters."

On the Left, reaction to the coup was even more equivocal. Two of the armed groups greeted the new government with calls for insurrection; they refused to believe that the military would or could break with the past and displace the oligarchy. By the end of the first week, however, the government's attempts to create an opening to the Left began to have an effect. Encouraged by the junta's support of the Common Platform and its promises to bring Leftists into the government, the Popular Leagues and the Rev-

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olutionary Army of the People gave the government conditional endorsement. Though they never offered explicit support, the leftist FAPU and FARN were also impressed by the government's apparent commitment to real change. Finally, in early November the Popular Revolutionary Bloc and the Popular Forces of Liberation agreed to suspend their attacks on the government for 30 days to give it an opportunity to make good its promises.

The junta did not use the time well. The pledge to investigate human rights abuses led to no arrests; the pledge to reorganize the government's security apparatus led only to a cosmetic reshuffling of personnel; and the pledge to conduct an agrarian reform led nowhere. In fact, the government could not even rein in its own security forces. Though the colonels had condemned the Romero government's indiscriminate use of lethal force against civilians, the practices of the police and National Guard did not change noticeably after October.

As the weeks passed, it became clear that more than mere indecision lay behind the junta's failure to act. The issue of the "disappeared" was indicative of the new government's dilemma. Despite its initial promise to discover the whereabouts of some 300 political activists, two weeks after coming to power the junta claimed that it could not find any of the missing. The junta dared not look too closely at the excesses of the Romero regime for fear of what it might find; senior police and military officials were almost certainly culpable in the disappearances. Such a discovery would have shattered the fragile unity of the armed forces—something the progressive officers refused to risk. The same predicament confronted the progressives at every turn because the conservatives objected to every major reform.

This political stalemate revealed in bold relief the historic dilemma of Salvadorean politics. In a closed political system that had never allowed significant civilian participation, public policy was the exclusive preserve of the armed forces. Reforms were inevitably constrained by the government's need to preserve at least a rough political consensus within the officers' corps. The oligarchy, of course, defended its interests through its links with the conservatives in the military. Bound together with their conservative compatriots by institutional loyalty, progressive officers could alter the status quo only in ways the conservatives were willing to tolerate—a tolerance ordinarily defined by the conservatives' fear of the Left. This, of course, was why three decades of military modernizers had failed to produce any significant change in El Salvador's outmoded social structure. It was

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also why the October junta failed. On every important issue, the progressives caved in to conservative resistance rather than risk a split in the armed forces.

The government's paralysis destroyed any chance it may have had to build a popular base on the Left or the Center-Left. By December all three of the popular organizations and their armed wings had gone back on the offensive, and even the moderates within the government had become deeply discouraged. In a final effort to break the deadlock in the armed forces, two of the junta's three civilian members issued an ultimatum: either Defense Minister José Guillermo García (the leading conservative) would resign or they would. Forced to choose openly between their commitment to change and their loyalty to the armed forces, the progressive officers chose loyalty. Backed by a majority of senior officers and local garrison commanders, García stood fast.

On January 3, less than three months after its birth, the Center-Left government collapsed when two of the junta's three civilian members resigned along with the entire cabinet (except for García, of course). In presenting their resignations, the civilians blamed conservative resistance for the government's impotence and its inability to build a popular base of support. The most dramatic demonstration of disillusionment with the junta and the possibility of peaceful change came at a press conference called by the former Education Minister, Salvador Samayoa. Samayoa explained that he had resigned to "fight for total liberation." He then picked up an AK-47 machine gun and walked out of the room escorted by two masked gunmen.

Despite the government's failure to win the trust of the Left or to retain the cooperation of the Center-Left, the colonels pressed onward. Within a week, the Christian Democrats rejoined the government, justifying their decision on the grounds that there was no other alternative to civil war. A new junta was formed and a new round of reform proposals was issued, including promises to nationalize the banks and expropriate the large landed estates.

Superficially, the new junta seems hardly distinguishable from its predecessor; in Washington, it has been portrayed as a centrist government of progressive officers and moderate civilians who are committed to significant social change. Indeed, the January junta has even carried out (albeit reluctantly and under intense U.S. pressure) some of the promises the October junta left unfulfilled. Yet the new government's strategy for resolving the current political crisis is profoundly different. The October junta sought to combine structural change with a political opening to the Left,

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which was guardedly willing to let the government prove its sincerity. The junta failed when it was unable to overcome the conservative officers' resistance to reform. The new junta's strategy has been to assuage the Right's fear of reform by combining it with repression of the Left. The goal of building a Center-Left social base for the government has been abandoned. Instead, the government has sought to consolidate, as best it can, a political consensus for reform within the armed forces—even if the means of doing so leave it utterly isolated from the civilian populace. In this sense, the new government in El Salvador is no different from the military modernizers of the past. The reforms it advocates may be more extensive, but its approach to politics is a familiar one—an authoritarian regime centered in the armed forces and buttressed by repression of those who dare to challenge the military's hegemony.

Even the effectiveness of the junta's reform program is problematic. Though the junta has nationalized the banks and expropriated several hundred of the largest private estates, its reforms have been accompanied by a state of siege and wave of repression as intense as any undertaken by the Romero regime. In the countryside, conservatives in the security forces used the repression to obviate the agrarian reform and to terrorize the peasantry. In the cities, the security forces have used the state of siege to wage war against the opposition. In the first few months of 1980, the number of people killed in political violence was nearly a thousand, the vast majority of whom were killed either by the police or the paramilitary Right.

The strategy of reform with repression has destroyed what little chance the January junta might have had to build a popular base of support. The reforms have alienated the Right, and the repression has alienated everyone else. The PDC, a partner in the government, is deeply divided over the junta's strategy for governing. In March, several leading Christian Democrats, including junta member Hector Dada, resigned from the government on the grounds that reform and repression were mutually exclusive. Before he was assassinated on March 24, even Archbishop Romero had begun to suggest that insurrection against the repressive regime was justified.

The conservatives in the armed forces may have been momentarily won over to the cause of reform, but the oligarchy has not. The oligarchs and their supporters on the far Right have denounced the government as Marxist, and the death squads have launched a new campaign of political assassination. Their targets

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have been not only members of the Left, but also leaders of the moderate opposition and of the government itself.

On the Left, the climate of repression has forged unprecedented unity. In January, all the major popular organizations and armed groups created the Revolutionary Coordinator of the Masses to plan joint strategy; in March, the political parties and trade unions of the Center-Left formed a coalition of their own, the Democratic Front; and, in April, the Left and Center-Left came together in a grand coalition when the Revolutionary Coordinator joined the Democratic Front.

The strategy of reform with repression has left the January junta desperately isolated and precariously dependent upon the support of the United States. When rightists in the armed forces sought to depose the government in late February and again in May, there was no significant social or political group in El Salvador which the government could rally to its defense. Only the United States preserved it.

V

El Salvador has become the first test case for the new regional policy formulated by the United States in the wake of the Nicaraguan revolution. Since the October coup, the policy of the United States has been to support the government of El Salvador in its attempts to carry out significant social reform and forge a viable political center. When the uncooperative General Romero was deposed, the sense of relief in Washington was almost palpable; the October junta seemed a perfect vehicle for reform without revolution—i.e., a centrist regime which was both anti-oligarchic and anti-communist.

The proximate objectives of the United States since October have been to encourage El Salvador's rulers to implement their promised reforms, to protect them from a rightist coup, and to avert an open civil war. The principal instrument for carrying out this policy has been economic and military assistance. In November 1979, the Administration sent the Salvadorean security forces a limited amount of riot control equipment along with six U.S. advisers to teach them how to use it. In the early spring of 1980, $6 million in additional military aid and $50 million in economic aid were reprogrammed for El Salvador, despite Archbishop Romero's personal appeal to President Carter, in which he warned that military aid would merely "sharpen the repression."

U.S. policy has been indiscriminate in its search for a viable centrist government. The Carter Administration has acknowl-

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edged no significant difference between the October and January juntas, and therein lies the fallacy of U.S. policy. The October junta tried, albeit unsuccessfully, to address both the socioeconomic *and* political ills of the nation by blending structural reform with a political opening to the Left. The January junta's program of reform with repression ignores the most pressing political issues: the escalating violence, the growing polarization, and the ongoing isolation of the government.

Confronted with these problems, U.S. policymakers contend that it is still possible to build a political center where none now exists. Both the far Right and the far Left are, purportedly, too fragmented to mount a successful assault on the government. Thus, if the regime can be sustained by the United States in the short run, its program of social reform will eventually attract centrist support.

To this end, the policy of the United States is to encourage the junta to move cautiously (so as to preserve its tenuous hold on power) on three fronts: (1) to implement real social reform, thereby building some measure of popular support no matter how diffuse; (2) to rein in the Right, even if it means removing some ultraconservatives from the security forces; and (3) to enlist the support of the Center-Left opposition, leaving the radical Left isolated on the political periphery. The first two stages of this program are underway now, and the Right's resistance constitutes the most immediate threat to the government's survival. Two coup attempts have already been foiled by the skillful and tireless efforts of U.S. Ambassador Robert White.

The third objective, however, rests upon the unrealistic hope that the grand coalition which has been formed between the Left and the Center-Left can be broken up. In essence, this is an attempt to replay the final months of the Somoza regime, when the United States pursued an identical policy to no avail. Behind its reformist rhetoric, policy toward El Salvador is an attempt to prevent another Nicaragua. What Washington appears to be incapable of grasping is that in El Salvador, as in Nicaragua before it, the centrist forces which the United States regards as its natural allies have joined with the very forces which the United States perceives as its natural enemy—the radical Left. The centrists are no longer in the center.

Failure to comprehend this realignment produced policies that were irrelevant to the balance of political forces in Nicaragua. *That* is the mistake we ought not to repeat in El Salvador.

The strength of the Left is such that it cannot be contained

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short of extermination. It has become a veto group in Salvadorean politics—no centrist government can rule without its tacit support and no reform program can succeed in the long run without its participation. The recently unified Left and Center-Left opposition includes everyone but the government and the far Right.

If civil war is to be averted and real changes implemented, the junta must return to the strategy of October: end the repression and try once again to bring both the Center-Left *and* the radical Left into the government. Though the polarization of politics has worsened since January, the Left might again be willing to halt its attacks on the government if it can be convinced of the junta's sincerity. The principal obstacle to such a change in government policy is the same now as it was in October. No opening to the Left or even to the Center-left can succeed until the repression is brought to an end, and the repression will not abate until the government gains effective control of its own security forces. It cannot do that unless the progressives in the armed forces can be induced to break with their conservative compatriots.

In the current stalemate of Salvadorean politics the impetus for such a change must come from the United States. Rather than giving unqualified support to reform with repression merely because the current government is vaguely centrist, the United States ought to use what leverage it has to induce the junta to open the political system. Without pressure from the United States, the progressive officers will not break with their conservative compatriots, end the political violence, or institute real reforms. The slide into civil war will not be arrested.

Policymakers in Washington object that such a shift in U.S. policy would provoke a coup from the Right. The junta's social reforms have already strained the political consensus in the officers' corps to the breaking point; an opening to the Left would rupture it. The danger of a rightist coup is certainly real. The Right planned a coup in February and another in May but was dissuaded when the United States stated unequivocally that it would oppose a rightist regime. A similar stance might once again deter a coup and give the junta the freedom to pursue a reconciliation with the Left.

There is no gainsaying the complexities of implementing such a policy. In a situation as volatile as El Salvador, the tone and timing of initiatives can be as important as their substance. But the current U.S. policy is no less pragmatic than this alternative. And, whatever the risks, an opening to the Left offers a better prospect for avoiding civil war than does the strategy of reform

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with repression. As political violence continues and the opposition coalesces around an increasingly radical program, the possibility of a rapprochement with the Left is quickly slipping away.

If the United States hopes to induce the Salvadorean government to broaden its popular base at all, it must become more sensitive to the nuances of using foreign assistance as an instrument of policy. Though the current level of U.S. military assistance is not enough to alter the military balance between government and opposition or to provide the United States with very much leverage, it nevertheless strengthens the impression that the United States endorses the political violence of the security forces. By ending military aid, the United States could send a clear message to the armed forces that it does not support attempts to impose military solutions on political problems.

Economic assistance, on the other hand, not only provides better leverage because of its greater quantity, but is also less likely to be misinterpreted. It can be used both to redirect the junta toward a political opening and to help finance the requisite social reforms. Indeed, political violence has thrown the Salvadorean economy into such a crisis that economic assistance is virtually indispensable. Consequently, Washington's threat to withdraw aid has already been successfully used to induce the government to expropriate the large landed estates, and to deter the Right from expropriating the government.

It may be that no U.S. policy can avert civil war in El Salvador. The Carter Administration has pledged that the United States will not intervene directly in a battle between domestic forces. But in the frigid international atmosphere of the new cold war and a heated domestic presidential race against Ronald Reagan, the pressures for direct intervention will be intense—especially if the current U.S.-supported junta is in place when a civil war erupts.

U.S. intervention, whether in the form of massive military aid or U.S. troops, would be a diplomatic disaster both regionally and globally. In Latin America, it would immediately resurrect charges of U.S. imperialism and shatter our fragile relations with Nicaragua. It would make a mockery of our human rights policy, giving rightist regimes throughout the region an opportunity to repudiate as paternalistic and interventionist U.S. attempts to moderate repression and foster democracy. Furthermore, it would wreak havoc in our relations with most of the Third World; the diplomatic and moral advantage which the United States has reaped from events in Afghanistan would be completely lost. And though it has become fashionable to remonstrate against the evils of the

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"Vietnam syndrome," sending U.S. troops to El Salvador might prove to be much easier than bringing them home.

There is also the nightmare scenario of a civil war escalating into a regional war engulfing all of Central America. Indeed, the war has already become internationalized to an extent; both Guatemala and Cuba have sent arms to support their respective sides. If the nightmare becomes a reality it will probably be the doing of Guatemala. The rightist government in Guatemala has a history of coming to the rescue of the Right in El Salvador, and has recently warned ominously of the need to halt the "communist tide" before it reaches Guatemalan shores. Though the Guatemalan armed forces have their hands full at home, they might well enter a civil war in El Salvador if the Left appeared to be winning. The revolutionary government in Nicaragua would be hard pressed to stand idly by in the face of Guatemalan intervention, and there is even the remote possibility of a major Cuban response.

Any serious internationalization of a civil war in El Salvador would produce almost irresistible domestic political pressure for direct U.S. involvement. Yet the costs of intervention would be no less severe. It is therefore imperative that the United States do everything in its power to prevent direct intervention in El Salvador by any foreign power. Allying itself with Mexico and Venezuela, which fear instability in Central America even more than does the United States, Washington should use all its moral and diplomatic weight to rally regional opinion against external intervention. For example, the threat of diplomatic and economic sanctions against external combatants by the Organization of American States might prove to be an effective deterrent.

## VI

The possibilities for peaceful, evolutionary change in El Salvador appear to have been exhausted. The current U.S. policy of supporting reform with repression is exacerbating the polarization of the polity rather than creating a viable center. The only conceivable alternative—urging the regime to create an opening to the Left—is admittedly a long shot. It may well be that only a civil war can cut the Gordian knot of Salvadorean politics. And civil war will bring with it all the attendant dangers of internationalization and temptations for U.S. intervention.

It is impossible to predict who would win a civil war in El Salvador, but there can be no doubt that the bloodshed would be

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horrific. The Right favors a solution akin to the massacre of 1932, and the Left is unlikely to be as generous in victory as the Sandinistas have been in Nicaragua. The United States could hardly maintain cordial relations with the government of victors, whoever they might be. In short, the outlook is dismal, both for the people of El Salvador and for the United States.

How can the United States prevent a reenactment of this tragedy in Guatemala and Honduras, the Central American dominoes still standing? In concept, the post-Somoza policy which the United States has adopted toward the region is a great improvement over the policies of the past. Washington has rejected as inadequate the short-term solution of uncritically propping up conservative regimes with economic and military assistance. In its place is a pledge to promote fundamental social and political change.

The success of this new policy, however, will not be determined by its good intentions. First, it will depend upon the ability of the United States to act before full crises develop and the possibilities for peaceful change evaporate. To date, Washington has been so preoccupied with putting out brushfires that it has hardly begun to address the problems which make Guatemala and Honduras candidates for future crises.

Moreover, the success of this new policy will depend upon the resolve of the United States to pursue its stated commitment to change consistently, even at the expense of short-term stability. History offers some valuable lessons in this regard. We would do well to recall that the Alliance for Progress encompassed similar goals, albeit on a more grandiose scale. Yet despite some gains in economic growth, the Alliance produced little basic social change and failed dismally in its efforts to promote democracy.

The Alliance died of schizophrenia. The United States never resolved the contradiction between the Alliance's developmental and security components, between reform and repression. When this contradiction produced authoritarian regimes rather than democracies, U.S. policymakers rationalized reality into a virtue, arguing that the problems of economic growth caused such severe political strains that modernizing nations could not "afford" democracy. The pluralist clash of interests was sacrificed to the peace of authoritarian order. Democracy, so the argument went, would follow in the wake of modernization—a sort of trickle-down politics.

The new policy of the United States toward Central America revives the hopes of the Alliance for Progress, but its application

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in El Salvador betrays the persistence of the Alliance's schizophrenia. The attraction of the current Salvadorean government is that it promises to square the circle by providing both basic social change and security against the Left. The reality now, as in the 1960s, is that it cannot do both. If El Salvador opts for real change, it can only be accomplished by allowing the Left to return from the political wilderness to which it has been relegated by decades of military rule.

Both Guatemala and Honduras will face similar choices in the near future. Moreover, as the search for democracy becomes a hemispheric concern, Brazil, Argentina and Chile will all confront the issue of how to accommodate the social and political demands of a Left opposition radicalized by years of suppression. The challenge for U.S. policy is not to let the emergence of such opposition elements weaken our commitment to social and political change. The first necessary condition for creating stability in Latin America is to create open democratic political systems that allow the Left to come in from the cold.

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*Roger D. Hansen*

# NORTH-SOUTH POLICY—WHAT'S THE PROBLEM?

The dramatic events in Iran and Afghanistan during the past year would seem to assure that East-West relations will remain the central concern of U.S. foreign policy as well as a heavily influential factor in all other arenas of U.S. foreign relations. The Carter Administration's return to an East-West security rationale for the foreign assistance programs which were sent to Congress in February is highly suggestive of future trends.

However, despite the all too obvious East-West implications of events in the "arc of crisis," these same events raise equally important questions about what we now call North-South relations; that is, relations between the wealthy, industrialized countries of the non-communist world (the "North") and the countries of the so-called developing world (the "South"). The ever-growing potential for the interplay of these two axes in world politics has been clearly demonstrated in recent months. From the September 1979 Havana Conference of the Nonaligned Movement to the November and January 1980 votes on Iran and Afghanistan within the United Nations and the January 1980 Islamabad Conference, it has become clearer than ever before that the nations of the South—as a whole and in various constituent groups—represent a diplomatic entity capable of independent actions which can significantly influence an ever-broadening range of U.S. foreign policy objectives.

Properly analyzed, the recent events in the Middle East should lead to a serious reconsideration of the present strained and tenuous relationship between the United States and the developing world. Yet the record of the past decade leaves no room for optimism, and the assertion of Realpolitik priorities in the Middle East may well add further impediments to a fundamental reexamination of North-South relations.[1]

[1] See, for example, Robert W. Tucker, "America in Decline: The Foreign Policy of 'Maturity,'" *Foreign Affairs*, 'America and the World 1979,' pp. 449–84.

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The complete absence of such a reevaluation throughout the 1970s helps to account for much of the conflict between the countries of the Organization for Economic Cooperation and Development (OECD) and the developing countries during that decade. Notwithstanding all the talk of a shift in the North from a policy of "confrontation" to one of "negotiation," Northern responses to Southern initiatives in the dialogue of the late 1970s remained fundamentally negative. Led by the United States, the North continued to reject almost all Southern proposals without engaging in serious negotiation, and seldom, if ever, presented alternative proposals on its own initiative.

In short, U.S. policies toward the South have been inappropriate and, as recent events suggest, would be even more inappropriate as guidelines for future policy. Continued postponement of a significant reorientation of U.S. foreign policy toward the South is becoming costlier with each passing year.

II

It is increasingly misleading to equate North and South with rich and poor countries, industrialized and nonindustrialized countries, developed and underdeveloped countries. Each grouping contains states of enormous diversity by all economic measures. Some of the world's richest countries in per capita income terms are now "Southern," and many countries which continue to identify themselves with the South now contain very sophisticated industrial sectors with rapidly growing competitive export capacity. Indeed, the economic "gaps" growing most dramatically in the past decade have not been between the North and the South, but rather within the South itself—between the oil-rich and the industrially developed countries and the vast majority of their predominantly poor and significantly less industrialized diplomatic partners.

North-South problems often reflect the economic issues most dramatically catalogued by the South in its call for a New International Economic Order (NIEO) at the Sixth Special Session of the United Nations General Assembly in 1974. However, while economic issues remain a central ingredient, they are only one of several fundamental elements in the North-South conflict. Like "the North," "the South" is a label given meaning not by the degree to which those countries share economic characteristics but by the decision of those countries to act as a diplomatic unit coordinating a large measure of their international activity. Properly used, the label "South" applies to a readily observable

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process in today's international politics, and not to an analytical categorization of countries based on relative levels of economic development. And it is this bloc diplomatic behavior, even more than the related but distinct issue of economic development, which has become the fundamental challenge to effective U.S. foreign policy formulation in the coming decade.

The process of Southern policy coordination over a broad range of diplomatic activities increased rapidly during the 1970s, in large part reflecting the strengthened institutional capabilities of the two organizations that represent Southern countries when they act as a unit in international relations (and create the aggregate North-South conflict), namely the so-called Group of 77 (G-77) and the Nonaligned Movement (NAM). The former organization's membership now includes close to 120 countries, while the latter embraces 93. Both are increasingly heterogeneous, with many tensions and the potential for disintegration always present. But these are held in check by a shared perspective on present North-South relations and by shared goals in the global arena which have very deep historical roots generally overlooked by Northern policymakers.[2]

The two most relevant shared perspectives are (1) that present international institutional structures (e.g., the General Agreement on Trade and Tariffs [GATT] and the International Monetary Fund [IMF]) and the political/economic processes governed by them are deeply biased against developing countries in their global distribution of income and influence; and (2) that major trends in international political and economic relationships are steadily increasing the relative strength of Southern countries, enhancing their bargaining power in international relations. The shared goal, basically "revisionist," is an increased capacity on the part of Southern states to achieve higher levels of political influence and economic welfare in international relations.

[2] It is the shared perception of global inequity that can link over 120 "developing countries" with per capita incomes ranging from $200 to $10,000. Built on the historical evolution of North-South relations in both pre- and post-colonial periods, this perception provides the cement that binds the otherwise disparate and potentially discordant membership of the Southern bloc. It has been the most significant driving force behind the activities of both the Group of 77 and the Nonaligned Movement since the inception of these groups close to 20 years ago. While the Nonaligned Movement was initially inspired by the idea of avoiding involvement in the cold war, it soon became the preeminent international platform for attacks on colonialism, apartheid, "neocolonialism" and all other forms of Northern or white domination, real or imagined. Failure to comprehend the depth of this widely shared Southern perception was primarily responsible for endless, inaccurate Northern predictions throughout the 1970s that an inevitable appreciation of divergent national interests would quickly dissolve any developing country effort to institutionalize "Southern unity."

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The most prominent Southern goals, to be found in the G-77's demands presented at the Sixth and Seventh Special Sessions of the U.N. General Assembly and at all recent United Nations Conference on Trade and Development (UNCTAD) meetings, have come to be called "structural reforms." They represent a blend of political, economic and institutional objectives. Some reforms would change the operation of the international economic system, as in proposals for an "Integrated Programme for Commodities" to raise and stabilize commodity prices; for Northern commitments to lower barriers to Southern exports; for international monetary reforms which would automatically provide Southern countries with expanding international financial reserves; for a new international set of rules on debt rescheduling; and for a code of conduct on the transfer of technology which would lower the cost to the South of acquiring Northern technology.

The second, and perhaps more important, element in the Southern demand for structural reforms is institutional. The Southern goal is to increase its influence in the shaping of international economic and political evolution by broadening the jurisdiction of those international organizations in which the South has a strong voice, and creating new international organizations which will increase the South's influence in specific arenas of international activity. Leading examples include recent Southern efforts to expand the jurisdiction of U.N. institutions which operate on a one-country/one-vote principle (e.g., the U.N. General Assembly and the UNGA's new Committee of the Whole) and to establish new institutions such as a Deep Seabed Authority (to manage deep seabed mining) and a Common Fund (to help finance the Integrated Programme for Commodities).

The constant Southern emphasis on the structural reform theme is fundamental to all Southern bloc diplomatic activity for several reasons. It reflects the deeply shared Southern perception of the inequity of the present international system and its illegitimate origins (i.e., that its institutions and rules were developed while most Southern states were still colonized by the North). It allows the South to unite in support of a set of institutional and economic objectives at a time when unity is both necessary for international bargaining power and difficult because of the growing heterogeneity among Southern countries. And it emphasizes the *international* impediments to developing country growth, again strengthening Southern unity. Any theme which emphasized impediments to growth of a *domestic* rather than an international nature would sacrifice this unifying effect.

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In the face of the growing economic differences among Southern countries, they will almost certainly find increasing difficulty in agreeing on the substantive content of specific reforms. But the continuing emphasis on the shared goal of greater Southern influence within restructured international institutions makes it highly probable that the South will retain a sufficient degree of unity in the coming decade to continue as a serious diplomatic unit in global politics. Indeed, the obvious intra-Southern tensions (notably those between oil-exporting and oil-importing countries) are likely to make the South even more vigorous in pursuit of its structural goals.

III

An equally brief summary of Northern (i.e., OECD countries') perspectives, goals and means relevant to North-South relations in the coming decade begins to reveal the depth of the policy-making dilemmas facing the United States and other Northern countries in the 1980s.[3] If the predominant Southern perspective emphasizes a perceived inequity in the present structure of North-South relations, the Northern counterpart rejects any such interpretation. From the Northern perspective, present international institutional structures and processes are generally argued to be as equitable as the realities of international politics allow.

While the Northern view leaves room for incremental adjustments when systemic deficiencies are identified, it cannot presently accommodate Southern calls for significantly enhanced equity or influence. It cannot accommodate the equity demand in its economic manifestations because it rejects the notion that the fundamental economic problems of the developing countries are caused by the operation of the present international economic system. Rather, it generally locates them in the domestic setting of Southern countries. And it forestalls accommodation of Southern calls for greater political influence through a Northern emphasis on the concept of "order." ("Without order in international relations, there can be no equity.") Following from the primacy of order, "responsibility" or "influence" are seen as stemming from

[3] Industrialized communist states of the North are not included for the simple reason that the present North-South conflict evolves from developing country efforts to restructure present international institutions and economic structures and processes which are dominated by the OECD countries. The "systems" of particular concern to the South are those of trade, finance and technology transfer; key institutions are the IMF and the GATT. "Eastern" countries continue to play at best a peripheral role in these systems and institutions. This accounts for their low profile in the "North-South" arena of present-day international relations.

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"power," and having little relationship to abstract concepts such as "equity." Any distribution of influence among countries which varies significantly from the distribution of power is thought to be one that invites not equity, but disorder and greater inequity.

One direct and potentially significant Northern response to the equity theme developed in the late 1970s: the sharp rhetorical focus upon the problems of "absolute poverty" afflicting the world's poorest billion inhabitants (located predominantly in South Asia, sub-Saharan Africa and the Caribbean region). As will be noted, the growing Northern emphasis on this "basic human needs" approach to problems of economic development is at best totally irrelevant to the Southern perception of the issue of equity in North-South relations. The enormous potential for conflict between these two distinct perceptions—if and when viewed as mutually exclusive policy guidelines—is already being realized.

While Northern states vary considerably over the degrees of accommodation they are willing to consider regarding specific issues on the North-South bargaining table, the general orientation of their policies clearly emphasizes continuity rather than change. Incremental reforms constitute the preferred means to strengthen the evolving post-Bretton Woods international institutional order and the economic and political relationships governed by that order.

In looking toward the coming decade, two implications of present Northern perspectives and objectives can be predicted. First, as with the Southern bloc, there would seem to exist the minimum necessary degree of cohesion to contain the pressures for fragmentation which are present within the OECD countries as they unite in reaction to Southern reform demands. The pattern of the 1970s suggests that intra-Northern conflicts over goals and priorities are not yet significant enough to fragment Northern bloc behavior in confrontations with the South.

The second implication to be drawn from Northern behavior in the past decade is that Northern efforts to strengthen and stabilize the evolving post-Bretton Woods economic system will continue to produce significant initiatives to "co-opt" or "integrate" some of the South's strongest member-states. The rationale for such initiatives was concisely set forth in a report of the Trilateral Commission written in 1976:

> History has often shown that the greatest dangers to international stability often arise from those nations whose real power is inadequately reflected in

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both real involvement in the relevant sets of international arrangements and symbols of status therein. Such nations can challenge the legitimacy of the system with actions as well as rhetoric. Much of the current call for a new international economic order flows directly from such concerns. Indeed, only through integration into the management of international arrangements are such countries likely to acquire the systemic interests necessary for the constructive formulation of their own foreign economic policies.[4]

The report paid particular attention to Iran, Brazil, Mexico and Saudi Arabia, suggesting that it "might be desirable" to invite the first three to join the OECD and to invite Saudi Arabia "which now has the second largest monetary reserves in the world . . . to meetings of the Group of Ten, which will doubtlessly continue to act as an informal steering group on some international monetary issues."[5] Much of the increased U.S. attention and quite specific policy guidelines relating to the problems and opportunities created by the emergence of what are presently called the "advanced developing countries" or "the new regional influentials" reflects thought processes similar to those underlying the Trilateral Commission's analysis.[6]

By the end of the 1970s these clashing perceptions, objectives, strategies and tactics had produced a fundamental stalemate in the "North-South dialogue" presumably begun in 1975 at the Conference on International Economic Cooperation (CIEC). In terms of substantive results that conference dissolved in total failure in 1977; in 1979 the fifth session of UNCTAD was equally unproductive. And as planning sessions began that year to design the International Development Strategy for the U.N.'s Third Development Decade, the divisions between North and South seemed to be as great as they had been at any period during the past ten years.

To make matters more discordant than they already were, many Northern countries began to press their own version of the equity theme—basic human needs—in a manner which suggested to the South that the North meant to *substitute* its version of the

[4] C. Fred Bergsten et al., *The Reform of International Institutions*, New York: The Trilateral Commission, 1976, p. 9.

[5] *Ibid.*, p. 25.

[6] Superficially, the U.S. strategy of co-optation might be perceived as responding to Southern desires for more political influence in the present global structure of international organizations and rule-making. But it is certainly not thus perceived by Southern states, which correctly view it as a policy designed to detach the South's most powerful states (in terms of natural resources, international monetary reserves, strategic geopolitical positioning, etc.) from the G-77 and the Nonaligned Movement and "integrate" them into such Northern "clubs" as the OECD and the Group of Ten in general support of present global economic and institutional rules and codes of behavior.

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global equity problem for the Southern structural reform version developed in all international economic conferences since 1973. Thus by the end of 1979 planning within the United Nations for the International Development Strategy for the Third Development Decade was in a state of deadlock, in great part reflecting—at least at the tactical level—clashing North-South views of the equity issue. Furthermore, the degree of distrust attending the conflict allowed each side to caricature the goals implicit in the equity issue as propounded by the other. The South ridiculed the Northern basic human needs emphasis as an attempt to interfere with developing country sovereignty, to limit the process of Southern industrialization by stressing such goals as rural development, basic education and preventive medicine and to dismiss further consideration of the need for the broader structural reforms desired by the South. In turn, the North caricatured the Southern stress on structural reform as nothing but an attempt to rig markets and mechanisms—e.g., in the fields of trade, finance and technology transfers—in order to redistribute income from the North to wealthy Southern political and economic elites. As a result, what might have developed into a serious North-South dialogue on issues which had deadlocked them throughout the 1970s stagnated at very low bureaucratic levels.

## IV

If the present stalemate is to be overcome, a U.S. strategy for North-South relations in the 1980s which, like the recently published report by an international commission chaired by Willy Brandt,[7] attempts to blend and balance these two elements of the equity problem is obviously worthy of careful consideration. The following issues would seem to be the most important for U.S. foreign policy in the coming decade:

(1) What are the likely costs and benefits involved in a continued emphasis on the strategy of co-optation noted in the preceding section?

(2) What are the likely costs and benefits of continued U.S. resistance to the notion of structural reforms, a resistance which

[7] Given its overwhelming attention to the theme of global structural reform, however, it is questionable whether or not the report achieves an appropriate balance. Even more questionable are the aggregate balance of commitments to reforms called for in the report (largely from the North rather than the South) and the likely efficacy of the reforms in assisting the development process. Nevertheless, serious international discussion of these proposals would surely raise the intellectual level of the present "dialogue." *North-South: A Program for Survival: The Report of the Independent Commission on International Development Issues under the Chairmanship of Willy Brandt*, Cambridge: MIT Press, 1980.

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contributes significantly to the continuation of the present stalemate?

(3) Can one conceptualize an altered U.S. approach and an altered set of U.S. policies which may promise significantly greater benefits than those presently being followed?

The strategy of co-optation has had the avowed aims of stabilizing and strengthening present international institutions and codes of behavior from which the United States was assumed to benefit; and of imposing strict limitations on North-South conflicts. The adherence "to the system" by those Southern countries possessing any form of power which could effectively challenge it would have severely undermined the Southern bloc's bargaining position; even if other Southern states continued united and engaged in confrontational actions, they would be very much weaker and represent no short- or medium-term threat to U.S. global interests.

Closely analyzed, the potential limitations inherent in a strategy of co-optation in managing North-South relations always outweighed its potential benefits by a considerable margin. The difficulties can be understood by briefly examining several significant dilemmas which the strategy constantly confronts.

First, is there any assurance that those Southern countries invited to play more significant roles in the present international system and its institutions will reciprocate by accepting the objectives and norms of that system? Will seats at OECD councils, G-10 meetings and greater emphasis on bilateral consultations produce the system-strengthening behavior on the part of Southern regional powers assumed by proponents of the co-optation strategy? Who will become the prisoner of whose interests?

Brief reflection upon recent Northern relations with such Southern countries as Iran, Saudi Arabia, Brazil, Mexico and Nigeria raises serious doubts that the extension of "club membership" by the North will be balanced by the observance of "club rules" on the part of new members. Indeed, both logic and empirical evidence suggest that increased Northern reliance on such countries to strengthen the various facets of the present international system of concern to the North—particularly in the economic realm—are more likely to lead to greater demands on the part of those countries for special treatment of a type which will further undermine the systemic goals and norms they are asked to support.

The complexities of reciprocity are compounded by the second problem: regime stability within many Southern countries which are candidates for co-optee roles. While the Shah's regime in Iran

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offers the classic case of U.S. reliance on a house of straw, few if any of those Southern countries generally identified as candidates for co-optation would appear to be governed by regimes free from the prospects of serious domestic challenges during the 1980s. And the very perception of closer, more intimate ties between regimes in such countries and the OECD states will make those regimes more vulnerable targets for nationalist/leftist opposition groups. If only for this reason, club membership of any formal kind, if offered by the North, is likely to be declined from the very outset. Northern governmental circles in general and U.S. policymakers in particular have thus far demonstrated little comprehension that, for reasons of domestic politics, a measure of tacit cooperation camouflaged for domestic political purposes by occasional outbursts of rhetorical abuse may represent the maximum attainable in the 1980s.

Third, the co-optation strategy gives excessive weight to economics, and too little to political and security factors. The concept suffers from the fact that it originated with economic policy makers who were concentrating on some very specific needs of the international economic system in the mid-1970s. Considering economic issues alone, they could reason that an enhanced role for Saudi Arabia would produce close Saudi cooperation with the North in support of the global financial system in particular (given the growth of dollar-denominated Saudi assets) and the economic system in general (e.g., moderation in oil-pricing policies and assistance in petrodollar recycling efforts). Likewise, projecting the rise of potential mercantilist conflicts with the rapidly industrializing Southern states, economic policy makers could envision a resolution of the problem by bringing a Brazil and a Mexico into the OECD and the GATT, developing reformed trade norms which would attempt to satisfy both the Southern exporters of manufactures and their Northern importers, and defusing the growing North-South trade conflict in the process.

Within the context of the international economic system alone, the logic is understandable if still fundamentally flawed.[8] But the

[8] U.S. economic policy makers, pressing for what came to be labeled policies of "graduation," assumed that key Southern countries would in effect pay for the privilege of "graduating" into Northern policymaking circles. The major Southern dollar-holders would follow policies supportive of the international financial system (e.g., adjusting their oil export and pricing policies for the—unspecified but assumed—"common good"); major Southern exporters of manufactures would abolish export subsidies and slow the rates of production for export to "stabilize" the international trading regime. U.S. assumptions were clearly not grounded in a systematic analysis of the policy objectives and the relative bargaining strengths of those Southern countries whose cooperation was being sought.

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economists' conception of the Southern states' "graduation" into Northern policymaking circles should never have been developed in isolation. To propound such strategies on the basis of economic considerations alone was to overlook the linkages between economic issues, security issues, and a broad range of political issues. Would these linkages strengthen or weaken the prospects for successful integration of major Southern countries in the economic arena? Further, what would be the implications of successful economic integration for U.S. goals in other areas of foreign policy? A few examples underscore the complexities.

In the case of Iran under the Shah, the inevitable inconsistencies of co-optation were quickly revealed. Since the United States had tapped Iran as a Southern power that would support crucial U.S. security interests, it was in a very weak position to moderate Iran's aggressive oil-pricing policies. Furthermore, it became very difficult for the United States to influence the policies of the Shah in the broad political arena, e.g., in the area of human rights. The point is not whether the United States should attempt to influence such policies, but rather that the strategy of "graduating" and "integrating" regional influentials into patterns of much closer cooperation and policy coordination with Northern countries is highly unlikely to lead to any generalized increase in Northern influence over a significant range of policies within such countries. Indeed, it seems far easier to present a logical case for the opposite result. The more the West reached out to the Shah, the less he needed, or heeded, the West's advice.

In the case of Saudi Arabia all notions about the overlapping set of U.S.-Saudi common interests (in the economic and security fields) have underestimated the implications of the Arab-Israeli conflict for Saudi cooperation. Even if the current Saudi regime desired to give priority to economic cooperation with the North—a moot point for present purposes—vulnerability to domestic political reactions and the pressures of its Arab neighbors clearly place severe limits on its capacity to work closely with the OECD countries in general and the United States in particular. Once again, limited degrees of tacit cooperation would seem to be the most that can be expected; for either side to attempt any more in present circumstances at the bilateral level would represent a very high-risk initiative.

Finally, U.S. relations with Brazil illustrate further the inconsistencies, ambiguities and limited results likely to accompany all attempts to press further with isolated strategies of graduation and co-optation. In the case of Brazil, some limited progress has

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been made in the economic arena with the apparent Brazilian acceptance of the new GATT code on export subsidies. But the conflicts and failures which accompanied U.S. attempts to influence Brazilian nuclear and human rights policies underline the distinct limits to be expected from the graduation strategy. In sum, the set of policies covered by the often interchangeable terms co-optation, graduation and integration contains severe limitations vis-à-vis its specific targets, i.e., those Southern countries that can challenge the legitimacy of the present international system with actions as well as rhetoric.

V

Apart from its pursuit of the co-optation strategy, the United States approached developing country proposals in the 1970s on a case-by-case basis, and grudgingly at that. This policy of economic incrementalism implicitly assumed that there were no serious reforms in international activity that merited joint North-South consideration and negotiation. The United States ignored obvious opportunities to put forward its own agenda, either in terms of specific actions or structural changes, and remained passive and reactive throughout the past decade of North-South discussions, equating success in the "dialogue" with blockage of—or minimal change in response to—Southern proposals.

It is hardly surprising that this gradualist approach has further poisoned the atmosphere of North-South relations and bargaining efforts. Even in the eyes of moderate Southern representatives, U.S. strategy seemed designed "to talk them [the South] to death."[9] Two years of discussion at CIEC led to literally no constructive results. Four years of discussion leading to UNCTAD IV in Nairobi (1976) produced nothing but ambiguity in the U.S. position regarding the establishment of a Common Fund to support international commodity agreements—the South's priority economic objective. In the following three years the slowly changing U.S. position led to agreement on fragments of the original proposal, but with such limitations on the Fund's resources and activities that its future remains uncertain at best. Finally, one should note the five-year U.S. effort to limit all reform of the United Nations—proposed by the South and accepted by the North as a legitimate issue for analysis and consideration

[9] Jahangir Amuzegar, "A Requiem for the North-South Conference," *Foreign Affairs*, October 1977, p. 155.

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during the course of the 1975 Special Session of the General Assembly.

In addition to the sterile debate on economic reforms, recent adverse economic trends in the North have added a new set of strains to the relationship. Growing pressures for trade protectionism produced policies restricting Southern access to Northern markets for a broad variety of Southern manufactured goods (e.g., textiles, shoes, television sets, chemicals and steel). Northern fiscal dilemmas produced substantial shortfalls from publicly pledged increases in official development assistance. And the beneficial results for the developing countries of the recently concluded Tokyo Round of GATT negotiations fell far short of Southern expectations—expectations encouraged by Northerners throughout the course of the negotiations.

But the fundamental weakness of U.S. policy, and of Northern policy in general, is the failure to develop a positive agenda of its own. Two areas where serious action should have been possible and where North-South policy coordination would clearly have been in the long-term economic interest of the United States itself illustrate this failure.

The first of these concerns food production and distribution. Ever since the World Food Conference of 1974 much international discussion has been devoted to three linked problems in the food production field: (1) emergency shortage problems; (2) major price fluctuation problems; and (3) the longer term problem of increasing the capacity of the developing countries to feed themselves through greatly expanded domestic production. Nonetheless, no serious action has been taken, mainly because of the sharp differences between the United States and the European Community on the rules that should govern the working of a grain-reserve system.

What thus far continues to be generally ignored is the demonstrated need for the developing countries to double their own food production by the end of the century.[10] Widely accepted projections suggest that most developing country food importers will be increasingly unable to earn enough foreign exchange to meet domestic food demand by the end of the decade. Over the coming 20 years the demand for food grains will increase in the developed countries by one-third (the equivalent of total annual U.S. output today) and in the South by 100 percent (or 150 percent of present

[10] See National Research Council, *World Food and Nutrition Study*, Washington, D.C.: National Academy of Sciences, 1977.

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U.S. annual output). Quite simply, if developing countries continue their past production trends, their import needs would more than double before the end of the 1980s; and given the rapidly rising per-unit production costs for additional output, the extra demand upon U.S. supply capacity would greatly increase food costs for all the world's consumers, North and South.[11] For all these reasons there is a growing consensus among both agricultural and developmental specialists that the only sensible approach to the medium- and long-term global food production problem is to work as swiftly as possible to increase the capacity for food production in the developing countries themselves.

From the U.S. point of view, a combination of domestic and international regulations and, where needed, institutions designed to address the objectives of short-term famine prevention, price stabilization, and the longer term major increase in developing country food production would be eminently sensible policy objectives. Given the political strains that would accompany widespread food shortages, the benefits of long-term aid for agricultural development are evident; regarding the two short-term goals of famine prevention and price stabilization, recent econometric studies suggest that global reduction in grain price fluctuations would create gains for Northern consumers in terms of stable prices that exceed the probable cost of related grain-reserve programs by over 100 percent.

A second illustration of lost opportunities to discuss "structural reform" of considerable concern to the United States can be found in the arena of international trade in manufactured goods—in regard to both trade liberalization and "industrial policy" issues. As a part of its proposals for structural reform, the South has been requesting increasing liberalization in international trade, particularly in those areas of manufactured products where Southern production is now highly competitive internationally. In this instance, Southern objectives and U.S. rhetorical commitments form a near-perfect fit, as the United States has led all major international efforts to liberalize international trade ever since the 1930s. It also represents the classical "positive-sum" bargaining situation where all parties may be presumed to gain from the lowering of tariff and non-tariff barriers to international trade.

However, at just the moment when a substantial number of

[11] Global markets for U.S. agricultural output will continue to grow rapidly despite increased food production capacity in the South. What the latter trend would ease would be explosive agricultural price increases and the literal inability of many Southern countries to pay for the food imports needed to avoid widespread starvation.

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Southern countries have restructured their development strategies in order to expand their participation in international trade in manufactured products, countries of the North have begun to reconsider the essential wisdom of sustaining present levels of trade liberalization, let alone lowering existing barriers any further. Given the commitment within most Northern states to a host of social and economic goals which are broadly encompassed by the phrase "the welfare state," holding the line against protectionism in a decade of potentially slow growth may prove to be an unachievable objective.

In fact, all Northern states—particularly those of the European Community—are increasingly intervening, directly and indirectly, to affect the structure of industry in their countries. All these interventions can be labeled industrial policy; what makes the issue so salient at the present time are rapid changes in international comparative advantage and the growth of domestic political pressures for such interventions. A new international framework to resolve the potentially dangerous economic conflicts bound to accompany unilateral, uncodified and unpoliced intervention of this type is fundamental to avoiding further growth in North-South conflict. But such a framework is also clearly in the long-term Northern economic interest.

Most defensive industrial policies which seek to preserve existing employment and production patterns in a particular sector of industry have a negative impact on economic efficiency and trade flows. On the other hand, policies designed to stimulate new patterns of investment, production and employment are likely to have a positive impact on economic efficiency and trade flows. The United States and other Northern countries will benefit as much as the developing countries should the rapidly evolving—if still generally ad hoc—set of Northern industrial policies leans strongly toward what a Trilateral Commission report labels the "positive" end of the spectrum, i.e., toward those policies which accept changing international comparative advantage as a guideline and use industrial policies in a coherent way to adapt domestic industrial structures to those international changes. Yet such an outcome is highly unlikely unless an international framework is established to develop and support appropriate guidelines and surveillance mechanisms for industrial policies. In the first place, the easier domestic political route is to adopt defensive, protectionist industrial policies; and second, Northern cooperation alone would still tilt defensively in those industrial sectors where international comparative advantage has swung rather decisively to

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the South. Thus OECD (or "Trilateral") coordination alone is not enough;[12] serious North-South negotiations are required to resist neo-mercantilist pressures.

VI

Turning to the political consequences of the U.S. approach, the inevitable result of the U.S. tactical response to Southern proposals which first emerged in Henry Kissinger's speech at the 1975 U.N. Special Session—often characterized as "the move from confrontation to negotiation"—has been to embitter the North-South dialogue. For that speech and most U.S. public statements since 1975 have suggested both a desire and a willingness to respond constructively to Southern proposals; yet no response which could be so perceived by the South has ever been forthcoming. As we have seen, initially inflated rhetorical promises of constructive responses were eventually coupled with actions that were quite the opposite, and the result is a widespread Southern perception that the much-heralded Northern rhetorical switch from confrontation to negotiation has represented nothing but diplomatic dissembling.

In analyzing the political aspects of North-South relations, one tends to focus upon the issue of generalized influence—in this case, the capacity of the United States to influence member-states of the diplomatic unit called the South. Does the United States, for example, have enough influence with enough Southern countries to bargain successfully for an acceptable outcome in the Third Law of the Sea Conference (LOS III)? In the recent International Nuclear Fuel Cycle Evaluation (INFCE), could the United States develop a working coalition in support of its objectives (e.g., a slower, much safer and much more safeguarded approach to the use of nuclear power as a source of commercial energy) which had to include the support of some crucial Southern states? In trying to develop domestic and international support for its one potentially significant initiative in the present circumscribed North-South economic debate—the basic human needs approach to limit and eventually overcome the absolute poverty problem—is the United States able to appeal successfully to a significant element within the present Southern coalition?

All these current issues serve as measures of U.S. political influence; all suggest that the United States at present exhibits

[12] This line of argumentation is presented in detail in John Pinder *et al.*, *Industrial Policy and the International Economy*, New York: The Trilateral Commission, 1979.

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very little capacity to influence the Southern bloc over a broad range of issues important to U.S. foreign policy. They cannot be used to prove that a less defensive U.S. role in the North-South dialogue of the past five years would have increased Southern support for U.S. foreign policy interests in differing venues (LOS III, the U.N. Preparatory Committee for the Third Development Decade, etc.). On the basis of existing evidence, however, one can at a minimum suggest that the U.S. approach—which combined efforts (1) to fragment the Southern bloc (as in the Kissinger strategy and tactics prior to the Seventh Special Session of the UNGA); (2) to co-opt specific Southern regional powers into Northern diplomatic networks and institutions (i.e., the Carter/Brzezinski strategy begun in late 1977); and (3) to oppose almost all Southern proposals for the consideration of significant structural reforms—is in good part responsible for the present North-South stalemate which leaves the United States with such limited influence in Southern diplomatic circles.

In an era of linkage politics and strong Southern bloc institutionalization, the Group of 77 will often attempt to accomplish in one setting what it is unable to accomplish in another. Thus, for example, many NIEO issues have been transferred from the main settings of the North-South economic dialogue to the Law of the Sea Conference. All pleas that functionally specific issues be resolved in functionally specific forums notwithstanding, the most plausible projections into the 1980s strongly suggest that the international system will not work that way. It will not because the degree of international consensus required to "depoliticize functional issues" disappeared by the end of the 1960s. If and when the necessary degree of international consensus returns, the delinked, issue-specific, technical approach to many aspects of international bargaining may once again be appropriate. But that degree of consensus is not likely to return for some years, if at all—and certainly as long as Northern and Southern perceptions of the legitimacy of present global political, economic and institutional arrangements continue to clash to the extent that they do today. U.S. policymakers may not like this present reality, but it is essential that they *understand* it.

One might add a final word about certain strategic implications of present U.S. policies in the North-South arena. For the achievement of general strategic as well as political objectives, the capacity of the United States to influence Southern actions can be crucial. The United States has specific security interests (e.g., transit through straits and limited territorial seas) in the LOS III

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setting; it clearly had strategic interests at stake in the INFCE exercise.

More diffuse but perhaps no less important, given the existence of a relatively cohesive and coherent Southern diplomatic bloc which finds itself constantly at odds with the United States over the economic agenda, the North-South stalemate may affect the capacity of the United States to project influence and presence in security-related situations within the South (i.e., situations such as Iran and Afghanistan, with serious implications for East-West relations). If the more radical countries within the Nonaligned Movement are able to tilt the fundamental orientation of that group toward closer accommodation with the Soviet Union—as they did at the 1979 Havana Conference of the Nonaligned Movement—at the expense of nonalignment as defined in the first decade of the movement, then U.S. access to, and influence upon, a broad range of regional conflicts will be increasingly limited. A priori, Eastern forms of intervention in many areas of the South would seem to be easier to accomplish than Western forms because Soviet-allied countries within the Nonaligned Movement would be strengthened in their position as arbiters of legitimacy concerning various forms of intervention in inter-Southern and intra-Southern conflicts.

In sum, the United States is paying a high political/strategic price for following those policies which have done so much to create the present stalemate situation in North-South relations. These costs are generally ignored by those who focus narrowly on economic aspects of the relationship. The United States no longer retains the necessary surplus of usable power or influence vis-à-vis the South to warrant continued indifference to these issues.

## VII

For several reasons, it is difficult to outline succinctly the essential ingredients of a more appropriate U.S. strategy toward the developing world in the 1980s. First, one is talking about a set of diplomatic relations affecting a broad array of U.S. foreign and domestic policy objectives, some primarily economic, others primarily political, some short term in nature, and others quite long term. Second, one is talking about a relationship which on many occasions is extremely bloc-oriented (as when "North" meets "South" in UNCTAD, CIEC, or the U.N.'s Committee of the Whole, and the developing countries speak and negotiate as a unit through the G-77 mechanism) but on others (as when the United States negotiates with Brazil on a subsidies code or nuclear energy

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facilities, or when it discusses political instability in Central America with the Andean Pact countries) is primarily bilateral or perhaps regional. Yet, as noted above, links between the various issues and levels of discussion are established from the outset by the atmosphere of the aggregate North-South relationship. Hostility and stalemate at the North-South bloc level on balance limit U.S. influence and bargaining power at the other levels. Finally, U.S. relations with the South as a unit will be strongly influenced by the balance of forces—radical to moderate—within the Southern coalition at any time; and U.S. influence at the bilateral level will depend upon the issue being discussed and the country (e.g., Libya, Brazil or Sri Lanka) with which it is being discussed.

Against this background, it is difficult to specify U.S. foreign policy objectives in the North-South arena beyond these two most general and fundamental ones: first, to break out of the present pattern of stalemate at the bloc level (which affects all other levels); and second, to enhance U.S. capacity to work constructively with the South (as a bloc, as groups of Southern countries or as individual countries) for the achievement of a broad range of U.S. policy goals. What concrete elements in a new U.S. strategy might move us toward the achievement of these objectives?

First, it will be necessary to grant a distinctively higher priority to overcoming the present stalemate. Since the emergence of the NIEO in the early 1970s, no administration has paid more than marginal attention to this arena of U.S. foreign policy. All major North-South efforts at negotiation have failed in good measure because of U.S. unwillingness to engage in a dialogue which the South could perceive as constructive. In part this unwillingness simply reflects a lack of comprehension of Southern perspectives; in part it reflects an enduring belief that the North should determine the modalities of the dialogue because we still retain the expertise to devise technocratic solutions to a set of economic problems which are, in fact, eminently political. Just so the Carter Administration, often with the best of intentions, has failed to develop a constructive set of North-South relations because it has failed to understand the relationship in broader historical-political terms. Unlike previous administrations, it has paid lip service to Southern desires for enhanced influence and autonomy in international affairs; but like previous administrations it has failed to develop a strategy to accommodate those desires in a manner consonant with long-term U.S. objectives. And lacking any such strategy, it has fallen back on a combination of co-optation,

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piecemeal, incremental responses and "basic human needs" rhetoric which simply compound old misperceptions and create new ones.

Of all the issues presently souring North-South relations, none is more debilitating than the present conflict over the linked issues of equity and structural reform. Southern perceptions of global inequities are substantiated, for example, by differences in aggregate per capita incomes on the order of ten to one, the fact that 90 per cent of the world's manufactured goods are produced in the North, and the overwhelming voting power held by the North in such important international institutions as the GATT and the IMF. In sum, their perception is of various forms of inequality among *states*, and their call for remedial international structural reforms follows logically from that perception. Northerners, vigorously led by the United States, focus not on interstate but on interpersonal measures of inequality, arguing for domestic development strategies within the South that aim to eliminate the absolute poverty problem through the "basic human needs" policy mix, and dismiss with varying degrees of diplomatic tact the issue of structural reform. Analyzing Northern responsibility alone, it is clear that this major hurdle has arisen for two reasons. The first concerns the premature Northern rejection of the concept of structural reforms; the second concerns the manner in which the North, again led by the United States, has introduced the basic human needs concept into the present dialogue.

Regarding the first point, the United States, choosing to interpret the structural reform issue raised by the South as a zero-sum game and a root-and-branch attack upon many fundamental aspects of the present international economic system and its institutions, has responded with a general defense of the entire system; thus the grudging incrementalism which has characterized Northern bargaining over all issues on the economic agenda. A strange reaction indeed given Northern willingness to consider and accept major reforms "within the club" in the international monetary and trade arenas during the past decade because major institutional elements and norms of the Bretton Woods system were on the verge of collapse.[13]

For the 1980s, areas of international economic policy where reforms—many highlighted in the Brandt commission report—

[13] One has only to note the continuing monetary reforms which began in 1971, and the recently completed Tokyo Round of GATT negotiations which resulted in major new codes covering state behavior in the trade field.

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could demonstrably benefit all parties include food policy, industrial policy, more general trade policy issues, energy policy and the issue of developing country access to long-term development financing. In each area the North can respond to Southern demands for structural reforms with major policy initiatives. In the trade and industrial policy area, for example, the need for a strong set of rules governing the use of trade-restricting "safeguard" mechanisms to protect troubled industries, and the need for a new organization with broad membership to enforce those rules is compelling. Equally compelling is the need for new institutional arrangements relating to "automatic resource transfers," i.e., funding for Southern development purposes collected and allocated outside Northern legislative processes and independent of existing international financial organizations. Potential sources of such automatic funding will grow throughout the decade as new rules and institutions governing such "global commons" as the oceans and their sources of wealth (e.g., minerals, fisheries) are constructed.

Apart from the stonewalling on structural reforms, Northern (and particularly U.S.) heavy-handedness in introducing the basic human needs theme into the North-South dialogue has been equally unproductive. Many Southerners demonstrate considerable receptivity to the concept before Southern audiences and forums, but do not do so in North-South negotiating settings. They are constrained by the legitimate concern that Northern support for the idea may represent no more than a tactic to switch emphasis from international to domestic development issues. This concern has been heightened over the past several years for several reasons. First, the North has emphasized the basic human needs theme almost to the exclusion of all others in the current economic debate.[14] Second, this rhetorical embrace is unaccompanied by any serious assessment of the conceptual issues, feasibility problems, and financial aspects of "overcoming absolute poverty." And third, the North has never attempted to make the case that a strategy targeted on overcoming the absolute poverty problem can be constructed on policies which support the aggregate growth and industrialization processes within developing countries.

All three problems must be overcome by a more detailed and balanced Northern exposition of what it means by a basic human

[14] A classic recent example of this approach is "America's Commitment to Third World Development," a major North-South speech delivered by Secretary of State Cyrus Vance at the Northwest Regional Conference on the Emerging International Order, Seattle, Washington, March 30, 1979.

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needs strategy and what it is prepared to do to support such a strategy. First, the North must demonstrate in programmatic terms that it does not intend to concentrate on this strategy to the exclusion of other basic structural reforms in such fields as international trade, industrial policy and commodity policy. Second, the North must address the issue of financing basic human needs programs. Most recent attempts to estimate the cost of "overcoming absolute poverty" in the next two decades suggest necessary expenditures of about $20 billion per year over a 20-year period.[15] Since most of the funds will be needed in the poorest countries least able to increase and redirect domestic governmental revenues, substantial international assistance must be pledged if Southern countries are to undertake the serious shift in economic development policies required to achieve the objective of overcoming absolute poverty. Northern governments presently spend about $15 billion per year in Official Development Assistance, but the vast bulk of these funds, allocated with political and security purposes in mind, are not directed to the countries or the types of programs which would reflect a genuine commitment to meeting basic human needs. Needless to say, this point is not missed by Southerners assessing Northern intentions. Unless and until the North presents a serious proposal for international discussion—for example, during the new "Global Negotiation on Economic Cooperation" tentatively scheduled to begin in January 1981—which includes explicit indicators of financial commitment to this objective, present levels of Southern skepticism will understandably impede any progress in this area.

Finally, the Northern case for an added basic human needs emphasis in Southern economic development strategies must demonstrate that an approach targeted on overcoming absolute poverty can be constructed upon policies which support aggregate economic growth and industrialization in the South. Because so little technical study has been devoted to this issue, the present Southern perception is that an increased emphasis on basic human needs objectives of minimum levels of food, nutrition, education, and health care for the poorest in their societies will slow aggregate growth rates of gross national product (GNP) and industrialization. And since most Southern states—correctly or not—equate rapid industrialization with their fundamental foreign policy goals of enhanced international autonomy and influence, they are wary

[15] See Roger D. Hansen, *Beyond the North-South Stalemate*, New York: McGraw-Hill, for the Council on Foreign Relations, 1979, chapter 8.

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of embracing a new objective which may slow the process of industrial growth and diversification. What will be needed to overcome this Southern concern is convincing analytical demonstration that basic human needs policies can be implemented in ways which actually support rather than penalize the processes of industrialization and GNP growth.

For both normative and prudential reasons a coherent approach to overcoming the absolute poverty problem is very deserving of significant Northern attention and financial support. And, as recent history clearly demonstrates, it is also the item in the present North-South dialogue most likely to serve as a catalyst in building Northern legislative support for continued North-South resource transfers in almost all Northern countries. Ever since 1973, for example, the U.S. Congress has become increasingly assertive in insisting that ever-growing percentages of U.S. foreign aid be allocated to projects demonstrably linked to "overcoming abject poverty." In looking to the 1980s major challenges for U.S. diplomacy will be to refine this concept in ways which can overcome present Southern concern and objections, and to generate the substantial Northern financial commitment which will be required to launch a serious international effort in support of the basic human needs concept.

Finally, it is crucial to the development of a new U.S. strategy that the range of officials in the present bureaucratic game be broadened to include political officers from the State and Defense Departments, as well as the National Security Council. The shortsightedness which has characterized the shaping of negotiating tactics in the North-South dialogue of the 1970s is attributable in great part to the fact that the issue was left almost exclusively in the hands of economic officials who were also consumed by "line" responsibilities. Given the traditional concerns of such officials, short-term problems of a distinctly economic nature quite naturally took precedence over any longer term consideration of the political implications of North-South relations or even of longer term economic issues and relationships.

This serious flaw in U.S. foreign policy machinery reflects its growing inability to keep pace with the rapidly expanding range of actors and issues in the international system. The Economic Bureau within the State Department still views the non-communist world as part of one system governed by one set of rules, including those few exceptions that apply to developing countries. The Southern diplomatic bloc challenges the Bureau's system; the Bureau—together with line officers in the Treasury Department—resists the Southern challenge. Neither the Treasury Department

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nor the State Department's regional bureaus give more than fleeting consideration to the Southern bloc; the occasional exception is most likely to come in the cart-before-the-horse question, "How might Latin American activity in the G-77 or the NAM affect U.S. relations with Latin America?"

The more relevant question is "How does Southern bloc diplomatic activity affect the capacity of the United States to achieve a wide range of political, economic and security goals from the bilateral, single-issue type (e.g., relating to Saudi oil-pricing policy) to the broadest, most systemic kind (e.g., winning Southern support in the condemnation of recent events in Iran and Afghanistan)?" It seems certain that if the latter question were being analyzed against the backdrop of international problems challenging U.S. foreign policy in the 1980s—and not by those holding line economic responsibilities in the State and Treasury Departments—the strategic guidelines and policy options resulting from the analysis would bear little resemblance to those of the 1970s.

VIII

The outline of a new U.S. strategy to manage North-South relations in the 1980s suggests the major hurdles to be overcome in its development. Three are worthy of final reiteration. First of all, unless a higher priority is given to the management of the North-South relationship, no new strategy is likely to emerge, let alone overcome the inertia of present policies and the decision-making machinery which produced them.[16] Such a priority will emerge only if policymakers realize that a much more constructive working relationship with the South is required in order to achieve a broad range of domestic and foreign policy goals, and that such a relationship can quite conceivably be established through an altered process of active mutual-interest bargaining.

The second hurdle lies in the antipathy to experimenting with altered forms of bargaining and system reform. Change will obviously prove somewhat uncomfortable to live with; and strong advocates of the old approach will continue to advise against accepting its risks. Because the old, issue-by-issue approach in specialized institutions dominated by Northern voting power is unacceptable to the South, however, it will fail. Thus a new approach, less predictable and less controlled by the United States, must be tried.

[16] It is indeed ironic that so many constructive critics of the Carter Administration condemn it for having given too much priority to North-South issues. See Robert W. Tucker, *op. cit.* for a classic example. The source of their error may lie in the gap between the Administration's rhetoric on the subject and the reality of its actions.

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Finally, the hurdle of implementation remains even if the first two are cleared. Can a new strategy be given a convincing coherence? Can its relevance for U.S. national interest be made clear enough to overcome entrenched domestic opposition? And can it respond to Southern interests sufficiently to overcome the present distrust and suspicion long enough to attempt an altered process of North-South diplomatic interaction?

The possibilities of failure are obvious. But so too are the growing costs to the United States of not making the effort. The Havana Conference of the Nonaligned Movement closed the decade of the 1970s with ringing denunciations of the United States and the rest of the North, elegant words of praise for the Soviet Union and the socialist countries, unanimous cries for radical change and no public criticism of oil price increases. If such meetings and manifestos have no impact on international relations, there is no lesson for U.S. foreign policy to be drawn from these events. But if they do, one must ask why a distinct minority element within the NAM appeared to emerge victorious by the end of the 1970s.[17] A significant part of the answer is to be found in a decade of failures in U.S. diplomacy. To overstate the case only slightly, U.S. policies had the cumulative effect of undermining the influence of Southern moderates, constraining rather than enhancing Southern pressures on the OPEC countries to limit oil-price increases, and eventually permitting Southern radicals to seize leadership within major Southern institutions. Despite the recent Soviet assist in weakening that leadership, only altered U.S. policies relating to the South and its constituent units can ensure the transition to a more constructive, flexible and potentially complementary range of diplomatic relationships between the United States and the developing regions of the world.

[17] The appearance was somewhat deceptive, as all who follow NAM infighting well know. In this instance the tenuousness of the radicals' "victory" was underlined by Castro's conciliatory appeals to NAM moderates in his U.N. speech in October 1979, and by the January 1980 U.N. speeches and votes of these same countries opposing Soviet intervention in Afghanistan.

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*Louis J. Halle*

# A HOPEFUL FUTURE FOR MANKIND

The first question to which I here address myself is that of what chance humankind has of forever escaping such nuclear warfare as might largely foreclose any possibility of a hopeful future. The second is that of what provision our kind might make for the retention of a hopeful future in any case.

In the largest perspective it is not implausible that life as a whole, having developed for so long and so hopefully on earth, should nevertheless disappear from it at last, leaving it as lifeless as other planets—or leaving it inhabited only by such primitive forms as bacteria. Our sun is only one of some ten trillion similar stars that we may suppose to be attended by planets of which some millions, at least, must possess the environmental characteristics that led to the development of life on earth. It is statistically implausible that, in such a universe, life has arisen only on the equivalent of one otherwise undistinguished speck among vast clouds of dust-specks extending over distances measured in billions of light-years. In the immensity of the universe as a whole, it may be that the extinction of life on one planet among millions of others that support it would be no more important than the death of one fish in an ocean that contained millions. Although a nuclear war would not in itself suffice for the immediate extinction of all human life, let alone all the forms of life on earth, it might contribute importantly to a progressive deterioration of the environmental circumstances on which the most developed forms of life, at least, depend.

What distinguishes us human beings from all the less advanced forms of life on earth is that, having at last become conscious of the challenge of survival, we have consciously undertaken to shape our own future. This requires us to look ahead, even beyond the span of any single generation.

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II

Virtually the sole device by which our kind has averted a nuclear war during the first generation that has possessed nuclear armaments has been that of mutual nuclear deterrence. Granted an element of moral inhibition against destroying life in cold blood, granted an element of uncertainty in the use of weapons never used before, granted an intuitive fear of reaping the whirlwind, the only strategic device we have yet found for preventing nuclear devastation has been the threat of retaliation in kind. So the two principal powers on earth, the United States and the Soviet Union, confront each other like two fighters who, although each holds a pistol aimed at the other, do not fight. How long can such a situation last?

One may admit that it can last indefinitely without believing that it can last forever. For one thing, it depends on the maintenance of political control in each of the two countries. But all societies are subject to breakdowns that may entail the replacement of internationally responsible government. It happened in Germany in 1933, in Iran in 1979; and it can happen in virtually any of our countries under the extraordinary strains imposed by the rapidly changing political and economic configurations of our rapidly changing world. An ideological or religious fanatic, a Hitler or a Khomeini, rising to power with the support of mobs that have run wild, might not refrain from the use of nuclear weapons if he had them at his disposal. Indeed, he might, in a state of exaltation, feel a historic or a divine mission to use them for the final destruction of evil.

The danger that mutual deterrence will break down is augmented by the prospect of what appears to be, in the long run, a virtually inevitable nuclear proliferation. The argument for the likelihood of this prospect, and for the danger it entails, is too familiar to need restatement here.

There are thinkers worthy of respect who conclude that the only way out is to abolish nuclear arms entirely, liberating the world from their menace by finally doing away with them all. But how, in the world as it is, would this be possible? Perhaps we may look forward to some distant day when all mankind is united and at peace under a world government, and in such a world the abolition and interdiction of weapons of mass destruction would presumably be routine. But even the cultural foundations for such a world have hardly begun to come into existence, so that, like the advent of the Kingdom of Heaven on Earth, its creation must remain an eschatological rather than a working objective. Even if

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it should ever become attainable, our problem remains that of surviving, and of keeping civilization in being, until the day when it is realized.

Mr. George Kennan, a responsible man of vision for whom I feel a special respect, believes that nuclear weapons could be eliminated sooner than that. For how else can one interpret his statement, in *The Cloud of Danger*, that "Our concern should be, of course, to achieve the eventual elimination of the nuclear weapon and all other weapons of mass destruction from national arsenals at the earliest possible moment"?[1] Here the persistence of national arsenals, and therefore of sovereign nations, is assumed.

But nuclear weapons or their components can be hidden where even unlimited inspection could hardly discover them, under lakes or mountains, under the sea, even in barns or haystacks. Can one imagine either the United States or the Soviet Union destroying all its nuclear weapons on the mere word of the other that it was doing so? In the world as it is, neither would do it. Nor would France or China.

Indeed, in the world as it is we might well hesitate even to wish for the abolition of nuclear weapons. For it is the existence of these weapons on both sides that, under circumstances of extreme conflict and strain, has so far prevented the outbreak of a Third World War. Surely the first two wars might have been prevented if great nuclear arsenals had, at the time, existed on both sides. If we are to be realistic we have to acknowledge even the cruelest and most ironic truth—if it is indeed the truth.

At this moment in history, whether we like it or not, control is kept by the mere existence of the nuclear arsenals, with their implicit threat. Imagine, now, a situation in which all nuclear weapons disappeared from the earth with a "poof," as if a magician had waved his wand. Immediately the threat or active use of conventional military force would be less restrained, in some cases virtually unrestrained. Surely the whole of Berlin would quickly become part of the realm that lies under the domination of Russia, either by surrender or by the unopposable military occupation of the western sector that the Western powers are pledged to defend. Yugoslavia would suddenly be far less secure in the independence it won for itself in 1948, and this loss of security might well be registered by a renewed submission to Moscow. This is to suggest that certain situations, which have become stabilized over the past generation, would come unstuck,

[1] George Kennan, *The Cloud of Danger*, Boston: Little, Brown and Co., 1977, p. 205.

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setting off waves of destabilizing consequences across the world. If these consequences produced a situation similar to those which led up to and culminated in World Wars I and II, the inhibition that has so far prevented World War III would be found lacking. And so we might well be confronted by the disaster that would not otherwise have occurred.

For the feature that distinguished the Third World War from the other two would be that, although it began with conventional arms, its conclusion would be determined by the outcome of a race between the two sides to be the first to rebuild their nuclear arsenals. After all, the knowledge and technology on which the manufacture of nuclear weapons is based would not have been abolished with the weapons themselves. Who can say, then, that the abolition of all nuclear armaments would not, by itself, open the door to the nuclear disaster that might otherwise have been averted?

I am driven to the conclusion that the problem of mankind, today and for an indefinite future, is not that of how to abolish nuclear armaments but that of how to live with them.

Our dilemma, however, is that the prospect of continuing to live with them throughout a future without end seems, at best, doubtful. Ever since the twelfth century, the weapons of war have been getting steadily more terrible, and not only is this continuing but it is accelerating. In our own time weapons have at last become so terrible as to have an inhibiting effect on all impulses to engage in military adventure, and to deter completely the deliberate resort to war on a global scale by any government that, having the capacity to start such a war, also has the disposition and ability to restrain itself. Perhaps this situation could continue for another generation, conceivably it could continue for another thousand years, by which time the evolution of circumstances would surely have transformed the problem in ways we could not now foresee.

However, even if there were as much as a 50 percent chance of averting the holocaust for a thousand years, the inadequacy of such a chance would be cause for extreme alarm. We would want to do something about it if there were anything we could do. This raises the second of my two questions: whether there is, in fact, anything we could do.

Before taking it up I call attention to the fact that a nuclear holocaust is not the only danger that threatens the apparently shrunken and increasingly fragile planet to which we find ourselves confined. Even without such a disaster, the livable environ-

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ment we now know might be made increasingly unlivable by demographic, industrial or technological developments. The fertility of the earth might be largely lost, the carbon dioxide in the atmosphere might increase disastrously, the layer of ozone that now protects us from excessive ultraviolet radiation might be definitively damaged. This is to say that there are other developments besides that of nuclear armaments which might make the continuation of advanced life on this planet uncertain, if not impossible.

And so I turn to the question of what we might do to save ourselves—which is the question of what we could do, and therefore should do, to make our future both secure and hopeful.

III

It is not unreasonable to assume a probability that human life on earth will, in the course of the next hundred years, suffer global disaster—whether cataclysmically, as in the case of a nuclear holocaust, or gradually, in consequence of economic and political breakdown, the exhaustion of vital resources, or a general transformation of the environment. However, even if the chance of disaster were only one in a hundred, so much is at stake that the question of what might be done about it would still have to be taken seriously.

Let us suppose, what still seems fantastic to most of us, that humankind had established permanent, thriving and proliferating colonies in outer space, detached from the earth although in its vicinity to begin with. Such colonies, supported by unlimited solar energy, would not be dependent for their survival or well-being on our old earth, or on the parent societies which continued to inhabit it as the European societies continued in Europe after the American colonies had been established. Even though the most extreme contingency referred to above, that of the extinction of life on earth, should be realized, human life and civilization would go on in space, constantly proliferating and spreading as new colonies were created to accommodate the ever-increasing populations. Although the horror of what happened on the ancestral earth remained undiminished, the life that had been originally engendered on it would not thereby be extinguished. On the contrary, it would continue, enjoying the prospect of what had now become an unlimited future. Indeed, human civilization would have become essentially unextinguishable.

Assuming the most extreme case of earthly disaster, few readers

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of these lines would demur on rational grounds at this resolution of the problem—if they thought it possible. But those who are exposed to it for the first time may be disposed, initially, to regard it either as fantastic in itself, or as possible only in such a distant future that it could be of no immediate concern. Others, who have followed the relevant technological developments and the studies made in the past few years at various American universities, including some under the auspices of the National Aeronautics and Space Administration (NASA), know that the first space colony could almost surely be established early in the coming century, on the basis of present technology alone, if given the highest priority. Without such priority it would take longer and would have that much more chance of coming too late.

Many will be put off by a natural supposition that life in what they think of as a spaceship, a sort of metal capsule jammed with machinery, would hardly be worth living. But this is not what is being projected by those who are working on the project—chiefly at the Space Studies Institute in Princeton under the direction of the physicist, Gerard K. O'Neill. His projected space habitats include towns, villages, wooded and open countryside with birds and butterflies, lakes with fish. They would provide an environment compatible with our spiritual as well as our physical needs.[2] As to these needs, another eminent physicist, Freeman Dyson, has written:

> There are three reasons why, quite apart from scientific considerations, mankind needs to travel in space. The first reason is garbage disposal; we need to transfer industrial processes into space so that the earth may remain a green and pleasant place for our grandchildren to live in. The second reason is to escape material impoverishment: the resources of this planet are finite, and we shall not forego forever the abundance of solar energy and minerals and living space that are spread out all around us. The third reason is our spiritual need for an open frontier. The ultimate purpose of space travel is to bring to humanity, not only scientific discoveries and an occasional spectacular show on television, but a real expansion of our spirit.[3]

[2] Gerard K. O'Neill, *The High Frontier: Human Colonies in Space*, New York: William Morrow and Co., Inc., 1977, pp. 49, 65. In a style that is as engaging as it is persuasive, this book describes the technology needed to transport human colonies to livable habitats in space and the characteristics such colonies might have, including the possibility that they might largely pay for their high initial costs by furnishing solar energy to the earth. O'Neill estimates that the first community in space might be established by 1990, and projects, at least as a technical possibility, ultimate human populations in space of 9.2 million within 20 years after the first colony and of 7.3 billion within 35 years. *Ibid.*, pp. 17, 221.

[3] Freeman Dyson, *Disturbing the Universe*, New York: Harper & Row, 1979, pp. 116–17. Dr. Dyson includes an interesting table comparing the projected costs of the kinds of colonies envisaged by O'Neill with the historic costs of other pioneering emigrations within the earth itself. He concludes: "O'Neill and I have a dream, that one day there will be a free expansion of small groups of private citizens all over the solar system and beyond." *Ibid.*, pp. 123–26.

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IV

Even if we did not now confront what is surely the greatest crisis in the history of life on earth, there would still be reason to believe that, in its progressive evolution, life has at last reached the point where it is about to expand into outer space, as if it had been programmed in advance. For, as evolution has a direction, so it has a destiny implicit in that direction; although it might fail to realize that destiny as an infant might be killed by accident before it had realized its own destiny of achieving adulthood.

There is a precedent for what we may properly regard as the imminent emergence of life from the earth's atmosphere into outer space. Up to 350 million years ago, after 3 billion years of evolution, life was still entirely confined to the waters of the earth, which constituted its only natural habitat. But those waters were becoming increasingly crowded. Looking back from our present vantage point we can see that the spreading life of this time was destined to emerge into the "unnatural" environment of what was, for it, the equivalent of outer space, the dry land and aerial atmosphere that stretched above them. It was the development of the amniotic egg in reptiles, the egg with a shell or amnion, that finally made this possible by packaging the liquid environment which was still needed by the germ cell. One can imagine an intelligent fish of the time revolting at the thought of abandoning its familiar water for the "unnatural" and hostile environment of outer space. But it would have been wrong; for the emergence of life from the water, which we may now regard as destined, added immeasurably to its potentiality for further expansion and development. Indeed, as hindsight now enables us to see, all the hopefulness of life turned on this emergence from a traditional confinement. I surmise that all the hopefulness of life now turns on its emergence from its earthly envelope.

The parallel between the position of life then and today is more than metaphorical, for the differences are secondary rather than essential. The fact that today our overcrowded planet is threatened with an increasing poisoning of its environment by the waste products of our spreading civilization, together with the nuclear danger, makes the crisis far more urgent than that of 350 million years ago. But the pace of evolution has been constantly accelerating, especially in the past 10,000 years, during which cultural evolution has come increasingly to supplement and set the pace for biological. Unlike the amniotic egg, produced by genetic evolution, the amniotic spaceship and the amniotic spacesuit,

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packaging the environment needed by earthly space travelers, are the technological products of such cultural evolution as can occur in a single generation. So the urgency of the present crisis is matched by the speed with which progress can now be made.

However, the natural conservatism of our human societies, associating security with the womb of Mother Earth, appears to rule out the chance that our kind will realize this possibility of salvation with the dispatch that might otherwise be expected. Although, having regard for what is at stake, we take the view that the highest wisdom would favor top priority for the colonization of outer space, in operative terms we are faced with the immediate competition among rival claims on NASA's shrunken budget.

However, the prospective colonization of space responds, not to the particular problems of the American nation, or of any other nation, but to those of mankind as a whole. (Indeed, in the perspective of three billion years it responds to the problems of life on earth as one categorical whole.) While the American society, by the skills and resources it commands, is best able to give the necessary lead, such an undertaking should properly be global. It should, indeed, be a concern of the United Nations. Therefore one would wish to see the United States, while taking the lead, invite all the other societies of the world to participate, each within the measure of its means. In an ideal view, such an undertaking by mankind as a whole would tend to divert it from its present preoccupation with international conflict, would tend to channel its energies into the pursuit of a great common purpose.

Although we have to recognize that the cultural foundations for the realization of this ideal view are far from existing in the world as it is, what is contemplated here is a matter of degree. The immediate problem is to make a start, and for this one must look first of all to the American nation, with its latent idealism, with its pioneering tradition, with its combined resources of skill, of energy, and of material means.

Today we appear to be approaching the end of an era in which technology has been leading toward disaster. But technology can be used to save as well as to destroy. And, as Freeman Dyson has put it, in words that should appeal particularly to Americans, with their history: "The expansion of life over the universe is a beginning, not an end."

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*Amory B. Lovins,*
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# NUCLEAR POWER AND NUCLEAR BOMBS

After the final no there comes a yes
And on that yes the future of the world depends.
—Wallace Stevens

The nuclear proliferation problem, as posed, is insoluble. All policies to control proliferation have assumed that the rapid worldwide spread of nuclear power is essential to reduce dependence on oil, economically desirable, and inevitable; that efforts to inhibit the concomitant spread of nuclear bombs must not be allowed to interfere with this vital reality; and that the international political order must remain inherently discriminatory, dominated by bipolar hegemony and the nuclear arms race. These unexamined *assumptions*, which artificially constrain the arena of choice and maximize the intractability of the proliferation problem, underlay the influential Ford-MITRE report and were embodied in U.S. policy initiatives under Gerald Ford and especially Jimmy Carter to slow the spread of plutonium technologies.[1] Identical assumptions underlay the recently concluded multilateral two-year International Nuclear Fuel Cycle Evaluation (INFCE), whose lack of sympathy for those U.S. initiatives is now

[1] *Nuclear Power Issues and Choices: Report of the Nuclear Energy Policy Study Group*, Sponsored by the Ford Foundation, Administered by The MITRE Corporation, Cambridge, Mass: Ballinger Publishing Company, 1977.

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being cited as a political and technical rationale for dismantling what is left of them.[2] Unfortunately, INFCE's assumptions were widely represented as its *conclusions*, ostensibly resulting from a careful assessment of alternatives which never actually took place.

Our thesis rests on a different perception. Our attempt to rethink focuses not on marginal reforms but on basic assumptions. In fact, the global nuclear power enterprise is rapidly disappearing. De facto moratoria on reactor ordering exist today in the United States, the Federal Republic of Germany, the Netherlands, Italy, Sweden, Ireland, and probably the United Kingdom, Belgium, Switzerland, Japan and Canada. Nuclear power has been indefinitely deferred or abandoned in Austria, Denmark, Norway, Iran, China, Australia and New Zealand. Nuclear power elsewhere is in grave difficulties. Only in centrally planned economies, notably France and the U.S.S.R., is bureaucratic power sufficient to override, if not overcome, economic facts. The high nuclear growth forecasts that drove INFCE's endorsement of fast breeder reactors are thus mere wishful thinking. For fundamental reasons which we shall describe, nuclear power is not commercially viable, and questions of how to regulate an inexorably expanding world nuclear regime are moot.

We shall argue that the collapse of nuclear power in response to the discipline of the marketplace is to be welcomed, for nuclear power is both the main driving force behind proliferation and the least effective known way to displace oil: indeed, it *retards* oil displacement by the faster, cheaper and more attractive means which new developments in energy policy now make available to all countries. So far, nonproliferation policy has gotten the wrong answer by persistently asking the wrong questions, creating "a nuclear armed crowd" by assuming its inevitability.[3] We shall argue instead that acknowledging and taking advantage of the nuclear collapse, as part of a pragmatic alternative program, can offer an internally consistent approach to nonproliferation, as well as a resolution to the bitter dispute over Article IV of the Non-Proliferation Treaty (NPT).

[2] The INFCE study was published in eight volumes in February 1980 by the International Atomic Energy Agency. For critiques of the collapse of the 1976–77 U.S. policy initiatives, see Vince Taylor, "A Review of Recent Efforts to Halt the Spread of Nuclear Weapons: Lessons for the Future," typescript, January 25, 1978, available from the Union of Concerned Scientists, Cambridge; Harry Rowen and Albert Wohlstetter, "U.S. Non-Proliferation Strategy Reformulated," Marina del Ray, CA: Pan Heuristics, 1979; and, for typical recent news, R. Jeffrey Smith, "Nonproliferation Policy Challenged," *Science*, May 2, 1980, p. 478.

[3] Albert Wohlstetter *et al.*, *Moving Toward Life in a Nuclear Armed Crowd?*, report ACDA/PAB-263 to the U.S. Arms Control and Disarmament Agency, 1976, Pan Heuristics. Our intellectual debt to Professor Wohlstetter is reflected throughout this article.

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On the eve of the Second NPT Review Conference, to be held in Geneva in August 1980, fatalism is becoming fashionable as the headlines show proliferation slipping rapidly out of control. Yet seeking Stevens's courage to affirm, we shall suggest that an effective nonproliferation policy, though impossible with continued commitments to nuclear power, may become possible without them—if only we ask the right questions.

II

All concentrated fissionable materials are potentially explosive. All nuclear fission technologies both use and produce fissionable materials that are or can be concentrated. Unavoidably latent in those technologies, therefore, is a potential for nuclear violence and coercion. Most of the knowledge, much of the equipment, and the general nature of the organizations relevant to making bombs are inherent in civilian nuclear activities, and are "in much of their course interchangeable and interdependent" for peaceful or violent uses.[4]

All commercial nuclear fuel cycles are fueled with uranium.[5] Natural uranium as mined contains only 0.71 percent of the fissionable isotope uranium-235. Both this concentration and the few percent of uranium-235 present in "low-enriched uranium" (LEU) are too dilute to be explosive. Practicable bombs require concentrations of tens of percent; highly efficient bombs, about ninety percent ("highly enriched uranium" or HEU). A few minor types of commercial reactors, notably the Canadian CANDU, are fueled with natural uranium. The dominant world type, the U.S.-designed light-water reactor (LWR), is fueled with LEU. One prospective commercial type (the high-temperature gas-cooled reactor) and many research reactors are fueled with directly bomb-usable HEU.

The irradiation of uranium fuel in any reactor produces plutonium, which is a bomb material regardless of its composition or chemical form. The plutonium is contained in the discharged spent fuel, highly diluted and intimately mixed with fission products whose intense radioactivity makes the spent fuel essentially inaccessible for at least a century. The plutonium is thus a

[4] This fact was recognized in the Acheson-Lilienthal report, "A Report on the International Control of Atomic Energy," U.S. State Department 2498, March 16, 1946.

[5] Experimental fuel cycles which breed fissionable uranium-233 from nonfissionable thorium differ only in detail, not in conclusions. See Amory B. Lovins, "Thorium cycles and proliferation," *Bulletin of the Atomic Scientists*, February 1979, pp. 16–22, and discussions *id.* May 1979, pp. 50–54, and September 1979, pp. 57–59.

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proliferation risk only if it is extracted by "reprocessing" the spent fuel behind heavy radiation shielding—chopping up and dissolving the fuel bundles and chemically separating the purified plutonium. It is then in a concentrated, homogeneous and divisible form that can be safely handled, is hard to measure precisely, and is therefore much easier to steal undetected. Extracted plutonium can be made into bombs so quickly (in days or hours) that even instant detection cannot provide "timely warning," the cardinal principle of safeguards since the start of the nuclear age.

U.S. nonproliferation policy since 1976 has rested on distinctions between proliferation-prone fuel cycles and fuel cycles thought to be proliferation-resistant. LWRs were considered highly proliferation-resistant so long as technologies or services which could further enrich the LEU fresh fuel or extract plutonium from the spent fuel were not available to non-weapons states. It was considered possible for such states to obtain these technologies on their own, but only at high cost, with great technical difficulty, and with a large risk of timely detection. Reprocessing spent LWR fuel in conventional large plants, for example, is so difficult that no country has yet succeeded in doing it on a reliable commercial basis.

In return for an open-ended fee with no guarantee of performance (estimated costs rose thirteenfold in 1974-78 and are still rising), Britain and France are nonetheless proposing to expand their existing, rather unsuccessful, reprocessing plants to provide export services, thus relieving others of the technical difficulties. However, proposed technical measures to inhibit the use of the extracted and re-exported plutonium in bombs—chiefly by diluting or radioactively contaminating it so that further treatment would be needed—have been shown to be impracticable or ineffectual (especially against governments). International management or weapons-state siting of the reprocessing plant cannot affect how the re-exported plutonium is used.

Because commerce in plutonium therefore poses grave risks to peace, and because neither it nor the reprocessing plants supplying it can be safeguarded even in principle, the United States sought by its own example, and for a time by mild persuasion (but not by exercising its legal veto over reprocessing U.S.-enriched fuel), to discourage Britain and France from breaching the formidable barrier offered by the difficulties of reprocessing. As further recommended by the Ford-MITRE report, the United States also sought to defer as long as possible domestic and foreign commitments to widespread use of fuel cycles requiring reprocessing—

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recycling plutonium in LWRs and breeding it in fast reactors. "Once-through" (no-reprocessing) LWRs, on the other hand, were encouraged for domestic use and for export because of their alleged proliferation resistance.

Advocates of reprocessing and plutonium commerce assaulted the U.S. policy on two contradictory grounds: that power reactors did not make plutonium that would be attractive to bomb-makers, and that if they did, commercial reprocessing was not the only way to extract it. The first limb of this argument claimed that the "reactor-grade" plutonium made by normal operation of power reactors—currently some 30 tons (about 10,000 bombs' worth) per year, a third of it in non-weapons states—could produce only weak and unreliable explosions, and posed exceptional hazards to persons working with it. Countries seeking bombs would therefore pass up this inferior material in favor of "weapons-grade" plutonium whose greater isotopic purity offered optimal performance. Weapons-grade plutonium could be made in existing research reactors (now operating in about 30 countries) or in "production reactors" specially built for the purpose from published designs. This route was claimed to be easier, cheaper, more effective, hence more plausible than using power reactors. Concern over power reactors was thus deemed to be far-fetched.

The technical premise behind this reasoning, however, is false. A detailed analysis of weapons physics has now shown that any practical composition of plutonium—including both "reactor-grade" plutonium and plutonium to which inseparable interfering ("denaturing") isotopes have been deliberately added—can be made by governments or by some subnational groups into bombs equivalent in power and predictability to those made from "weapons-grade" plutonium.[6] Alternatively, power reactors can be so operated as to produce modest amounts of the latter without significantly increasing costs, decreasing efficiency, or being detected.

More sophisticated bomb design is needed to achieve the same performance from reactor-grade as from weapons-grade plutonium, but this may be a small price to pay for the greater ease of obtaining the former in bulk. The power reactor has an innocent civilian "cover" rather than being obviously military like a special production reactor. It is available to developing countries at zero or negative real cost with many supporting services. It bears no

[6] The analysis may be found in Amory B. Lovins, "Nuclear weapons and power-reactor plutonium," *Nature*, February 28, 1980, pp. 817–823, and typographical corrections, March 13, 1980, p. 190.

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*extra* cost in money or time if one were going to build a power reactor anyhow. And it produces extremely large amounts of plutonium: so large that theft of a few bombs' worth per year is within the statistical "noise" and can be made undetectable in principle, while nearly a hundred bombs' worth per reactor per year—more than from any other option—is available if overtly diverted. Power reactors, then, can be considered large-scale military production reactors with an electricity by-product rather than benign electricity producers with a militarily unattractive plutonium by-product. They are not, as INFCE held, an implausible but rather potentially a peculiarly convenient type of large-scale factory for bomb material.

Of course plutonium in spent fuel from any kind of reactor is unusable in bombs until extracted by reprocessing, and it is here that plutonium advocates mounted their second line of attack. The official U.S. view was that reprocessing is very hard, whereas making bombs is relatively easy, so reprocessing should be inhibited. Plutonium advocates retorted that, on the contrary, making bombs is very hard but reprocessing relatively easy. To support this claim, Oak Ridge scientists developed a conceptual design for a "quick-and-dirty" reprocessing plant which could allegedly separate a bomb's worth of plutonium per week, with only a modest risk of detection during the relatively short construction time (of the order of a year).[7] Restraints on commercial reprocessing (its advocates then argued), and indeed the timely warning concept itself, were futile because any country seeking bombs could build its own crude reprocessing plant and get plutonium from its domestic spent fuel anyhow.

This double-edged argument was inconsistent, however, with the same advocates' reassurances that providing commercial reprocessing services would dissuade recipient countries from building their own plants; that international safeguards could be relied upon; and that bomb-making could be prevented by returning the plutonium "spiked" with unapproachably radioactive contaminants. (The recipient country could use its crude reprocessing plant to winnow out the plutonium from the spikants even more easily than from the original spent fuel.)

Thus the measures supposed to make reprocessing "safe" do not work. An argument meant to show there was no point discrimi-

[7] Though some details of the Oak Ridge design were criticized by other experts, the broad feasibility of its approach was confirmed by the U.S. government's official Nonproliferation Alternative Systems Assessment Program (NASAP): "Nuclear Proliferation and Civilian Nuclear Power," U.S. Department of Energy, DOE/NE-0001, December 1979, Vol. 1, p. 42 (draft).

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nating against plutonium technologies showed only the wider dangers of all fission technologies. Far from showing plutonium cycles were safe, it showed only that the rival once-through cycles were nearly as dangerous. For the real implication of the Oak Ridge design was that the reprocessing barrier is not so substantial after all: that both bomb-making *and* reprocessing are relatively easy (if normal requirements of profitability, environmental control, and worker safety are greatly relaxed).

This conclusion has been reinforced by the recent invention in several countries of unconventional medium- and small-scale methods of plutonium recovery, as yet untested, that are alleged to be substantially cheaper, simpler and less conspicuous than normal reprocessing plants. If, as appears likely, at least one of these new methods or the Oak Ridge concept proves valid, then it does not mean merely the end of the old timely warning concept; it means rather that timely warning can be provided neither for separated plutonium *nor* for spent fuel, so that *all* nuclear fission will be unsafeguardable in principle.

The Ford-Carter policy that reprocessing is very dangerous, therefore, was correct but did not go nearly far enough. By emphasizing that plutonium fuel cycles are *more* dangerous than once-through cycles, it glossed over the risks of the latter. The INFCE findings that there is no technical solution to the plutonium problem, and that once-through fuel cycles are not necessarily far less proliferative than plutonium cycles, are also broadly correct; for they imply, however unintentionally, that reactors of *any* kind are significantly proliferative, and that matters are much worse than the Ford-MITRE analysis and the Ford-Carter policy supposed.

To make matters worse still, more careful scrutiny of the supposedly innocuous front end of the fuel cycle—the use of natural uranium or LEU as fresh reactor fuel—has lately suggested a similar conclusion on independent grounds. Natural uranium can be gradually enriched to bomb-usable concentrations using low-technology centrifuges. LEU can be enriched more than twice as easily. An effective centrifuge design was published 20 years ago. Better versions—much less efficient than high-technology commercial versions, but still adequate—can be, and have been, made by a good machinist in a few weeks. Non-nuclear commercial centrifuges may also be adaptable to uranium enrichment. Though tens or hundreds of centrifuges and tons of uranium would be needed for patient accumulation—perhaps requiring years—of even one bomb's worth of HEU, the centrifuges are simple, modular, concealable, relatively cheap, and highly acces-

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sible. The uranium, mined in tens of thousands of tons per year worldwide, would be even easier to get. Thus even without assuming any breakthroughs in fast-moving new enrichment technologies—simplified laser methods, or perhaps the newly discovered magnetochemical methods—old, straightforward centrifuge designs suffice to make even natural uranium, as Bernard Baruch noted in 1946, a "dangerous" material.

There are also disquieting indications that without using any conventional facilities such as LWRs or reprocessing plants, and without serious risk of detection, one unirradiated LWR fuel bundle (about a hundredth of a reactor's annual fuel requirement) could be made into one bomb's worth of separated plutonium in one year by one technician with about one or two million dollars' worth of other materials that are available over the counter and apparently subject to no controls. So far as is publicly known, this novel basement-scale method has not yet been used, but the calculations suggesting its feasibility—unpublished for discretion—appear valid. U.S. authorities were apprised of this method during 1978-79, but no published assessment mentions it. A vivid if indirect confirmation that no fuel-cycle material is officially considered "safe," however, comes from the new U.S.-sponsored Convention on the Physical Protection of Nuclear Material. This makes it an extraditable international crime (like genocide or piracy) for unauthorized persons to meddle with any fissionable material other than uranium ore or tailings, and explicitly *including* both LEU (such as LWR fuel) and purified natural uranium.

The proliferative routes just mentioned are only the latest additions to an already long list: conventional enrichment technologies, research and production reactors, direct use of bomb materials of which many tons have been exported (mainly by the United States) for worldwide research, theft of nuclear submarine fuel, theft and dismantlement of military bombs, theft of military bomb components. Collectively, both familiar and newly emerging routes to bombs imply that *every* form of *every* fissionable material in *every* nuclear fuel cycle can be used to make military bombs, either on its own or in combination with other ingredients made widely available by nuclear power. Not all the ancillary operations needed are of equal difficulty, but none is beyond the reach of any government or of some technically informed amateurs. The propagation of nuclear power thus turns out to have embodied the illusion that we can split the atom into two roles as easily and irrevocably as into two parts—forgetting that atomic energy is a-tomic, indivisible.

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Can conceivable "safeguards" weaken this stark conclusion? Political arrangements for safeguards must rest on technical measures for materials accounting and for physical security. The former measures are so imprecise and *post hoc* that they cannot, even in principle, provide reasonable assurance that many bombs' worth of plutonium per year are not being removed from a good-sized reprocessing plant. Primary reliance must therefore be placed on physical security measures to limit access to materials and to deter or prevent their removal (or, if they are removed, to recover them). These measures must forestall well-equipped groups, perhaps including senior insiders acting in concert with the host government or a faction of it. Even modestly effective measures would be costly, fallible and intrusive. In the Federal Republic of Germany, for example, they would exceed the authority of the Atomic Energy Act; amending it to permit them would be unconstitutional; and amending the Constitution to permit them would conflict with human rights instruments to which the Federal Republic is a party.[8]

The institutional arrangements which rely on these inherently inadequate accounting and security measures are woven around the International Atomic Energy Agency (IAEA), the Non-Proliferation, EURATOM, and Tlatelolco Treaties, and bilateral agreements. Though these are a considerable achievement, they have well-known and collectively fatal flaws, including: non-adherence of half the world's population, including two of the five acknowledged weapons states (France, China), all three suspected ones (India, Israel, South Africa), and all major developing countries except Iran and Mexico; freedom to renounce; no prohibition on designing bombs or building and testing their non-nuclear components; unsafeguarded duplicate facilities; inadequate inspection staff, facilities and morale; virtual absence of developing-country nationals in key IAEA safeguards posts; high detection threshold; freedom of host governments to deceive, reject, hinder or intimidate inspectors or to restrict their access (especially their unannounced access); unknown effectiveness owing to confidentiality; ambiguous agreements; and unsupported presumption of innocent explanations. The IAEA has already detected diversions of quantities too small for bombs and decided they did not justify even notifying the supplier states concerned.[9] IAEA inspectors

[8] Paul Sieghart, Chapter 4.4 in the Gorleben International Review's Report, *Bericht des Internationales Gutachen Gorlebens für Niedersächsisches Sozialministerium*, Hannover, April 1979.

[9] Rudolf Rometsch, remarks in panel discussion before the Institute of Nuclear Materials Management, June 20, 1975, reprinted in *Hearings on the Export Reorganization Act of 1976* before the Senate Committee on Government Operations, Washington: GPO, 1976, pp. 1214–17.

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"have found many [suspicious] indications and acts . . . , but the IAEA has never taken action on any of them. This will probably continue to be true."[10] It is no wonder. All the resources of the U.S. government, in more than a decade of repeated investigations, were unable to determine whether suspected plutonium thefts at the Numec plant in Apollo, Pennsylvania had occurred. Large HEU losses over many years at an Erwin, Tennessee plant crucial to U.S. naval reactor fuel supply led in 1979 to relaxed accounting standards that would make the losses look "acceptable." How, then, could suspected thefts in and perhaps by a recalcitrant foreign country be investigated?

Finally, the momentum and bureaucratic entrenchment of nuclear programs generally prevent effective sanctions against even an obvious, sharp violation, let alone a dimly suspected, creeping one. The breach of EURATOM safeguards by the theft of a 200-ton shipload of natural uranium in 1968 was kept secret for nearly ten years. A decade's advance knowledge of the Indian bomb program by the U.S. and Canadian governments produced only diplomatic murmurs, and the actual test, as Albert Wohlstetter remarks, "inspired only ingenious apologies" from the U.S. State Department—anxious to conceal the U.S. contribution of heavy water—and a congratulatory telegram from the chairman of the French Atomic Energy Commission. As front pages heralded the Pakistani bomb program, Pakistan was being unanimously elected to the IAEA's Board of Governors.

In short, we can have proliferation with nuclear power, via either end of any fuel cycle. We cannot have nuclear power without proliferation, because safeguards cannot succeed either in principle or in practice. But can we have proliferation without nuclear power?

It is true that naval reactor fuel and military bombs provide non-civilian routes to more bombs; but that means only that nuclear armaments encourage their own refinement, multiplication and spread, not that there are significant civilian bomb routes unrelated to nuclear power. With trivial exceptions unimportant to this argument—radioisotope production reactors, large particle accelerators, proposed fusion reactors—*every* known civilian route to bombs involves *either* nuclear power *or* materials and technologies whose possession, indeed whose existence in commerce, is a direct and essential consequence of nuclear fission power. Apologists, apparently intending to be reassuring, often state nonetheless

[10] David M. Rosenbaum, "Nuclear Terror," *International Security*, Winter 1977, pp. 140–62.

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that since power reactors themselves are only one of (say) eight ways to make bombs, restraining power reactors is like sticking a thumb in one of eight holes in a dike. But the other holes were made by the same drill. Arguing that reactors have little to do with bombs is like arguing that fishhooks do not cause the catching of fish, since this can also involve rods, reels and anglers.

The foregoing reasoning implies that eliminating nuclear power is a necessary condition for nonproliferation. But how far is it a sufficient condition? Suppose that nuclear power no longer existed. Again, with trivial exceptions,[11] there would no longer be any innocent justification for uranium mining (its minor non-nuclear uses are all substitutable), nor for possession of ancillary equipment such as research reactors and critical assemblies, nor for commerce in nuclear-grade graphite and beryllium, hafnium-free zirconium, tritium, lithium-6, more than gram quantities of deuterium, most nuclear instrumentation—the whole panoply of goods and services that provides such diverse routes to bombs. If these exotic items were no longer commercially available, they would be much harder to obtain; efforts to obtain them would be far more conspicuous; and such efforts, if detected, would carry a high political cost because for the first time they would be *unambiguously military* in intent.

This ambiguity—the ability of countries, willfully or by mere drift, to conduct operations (in Fred Iklé's phrase) "indistinguishable from preparations for a nuclear arsenal"—has gone very far. An NPT signatory subject to the strictest safeguards can quite legally be closer to having working bombs than the United States was in 1947.[12] For example, precisely machined HEU spheres have recently been seen in Japan, doubtless for purely peaceful criticality experiments. But they could also be hours away from bombs.

Bernard Baruch warned in 1946 that the line dividing "safe" from "dangerous" (proliferative) nuclear activities would change and need constant reexamination. No mechanism to do this was ever set up. The variety and ease of proliferative paths expanded unnoticed to embrace virtually all activities once presumed "safe," while most of those activities were enthusiastically broadcast worldwide. Yet their direct facilitation of bomb-making was prob-

[11] The only one of substance is the use of small research reactors to make medical and allied radioisotopes. This is such a specialized small-scale operation that effective international controls could be realistically contemplated.

[12] Albert Wohlstetter, "Spreading the Bomb Without Quite Breaking the Rules," *Foreign Policy*, Winter 1976/7, pp. 88–96.

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ably a less grave threat than the innocent disguise which their pursuit lent, and lends, to bomb-making. Baruch, noting the importance of adequate "advance warning . . . between violation and preventive action or punishment," had sought a technological monopoly so that visible operation or possession of "dangerous" steps other than by a special international authority, regardless of purpose, "will constitute an unambiguous danger signal." Today, with dozens of countries on the brink of a bomb capacity, such a neat solution is temporarily forestalled. But the principle remains sound: detection and deterrence of bomb-making require that it be unambiguously identifiable; and for that, phasing out nuclear power and the supporting services it justifies would be both a necessary and a sufficient condition.

Removing the present ambiguity will not make proliferation impossible. Pakistan, both operating and planning power reactors, sought a French reprocessing plant rationalized as an aid to energy independence, then, when thwarted, decided to pursue bombs more directly with clandestine centrifuges whose advanced design was stolen (as predicted) from the Netherlands. Pakistan probably did not expect that effort to be accidentally unmasked at an early stage, but was presumably willing to bear the political cost of eventual detection (if there was one: India has not yet been made to bear such a cost). Yet the key point is that the reactors, the uranium supply allegedly needed for them, the hoped-for reprocessing plant, the participation of the Pakistani spy in the Dutch project, the existence of that project and of the uranium-mining industry itself—all were justified and cloaked in benignity by nuclear power.

For bomb-making by any route, denuclearization would greatly increase the technical difficulty of obtaining the ingredients, and would automatically stigmatize suppliers as knowing accessories before the fact, hence clear violators of NPT Article I in letter or spirit. By providing unambiguous danger signals, denuclearization would make the political costs and risks to all concerned very high—perhaps prohibitively high. This does not mean that a determined and resourceful nation bent on bombs can by non-military means be absolutely prevented from getting them: much is already out of the barn. But denuclearization would brand as military the use of those escaped resources and inhibit their augmentation and spread. It would narrow the proliferative field to exclude the vast majority of states—the latent proliferators who sidle up to the nuclear threshold by degrees, and those easily tempted.

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Yet is not the complete civil (and, in due course, military) denuclearization required to remove every last shred of ambiguity a fantastic, unrealistic, unachievable goal? On the contrary, as the following sections show, that goal—and more straightforward interim steps on the way to it—would follow logically and practically from obeying the economic principles to which most governments pay allegiance.

III

Nuclear power has been promoted worldwide as both economically advantageous and necessary to replace oil. Potential proliferation, in this view, is either a small price to pay for vast economic advantages or an unavoidable side effect which we must learn to tolerate out of brutal necessity. But rational analysis of energy needs and economics strongly favors stopping and even reversing nuclear power programs. Their risks, including proliferation, are therefore not a minor counterweight to enormous advantages but rather a gratuitous supplement to enormous disadvantages.

Replacing oil is undeniably urgent. But nuclear power cannot provide timely and significant substitution for oil. Only about a tenth of the the world's oil is used for making electricity, which is the only form of energy that nuclear power can yield on a significant scale in the foreseeable future. The other nine-tenths of the oil runs vehicles, makes direct heat in buildings and industry, and provides petrochemical feedstocks. If, in 1975, *every* oil-fired power station in the industrialized countries represented in the Organization for Economic Cooperation and Development (OECD) had been replaced *overnight* by nuclear reactors, OECD oil consumption would have fallen by only 12 percent. The fraction of that oil consumption that was imported would have fallen from about 65 to 60 percent (compensated by greatly increased dependence on imported capital and uranium), and would have fallen by much more for the United States than for Japan, France, West Germany or the U.K.[13] In practice, U.S. nuclear expansion has served mainly to displace coal, not oil, by running coal-fired plants less of the time: the utilization of their full theoretical capacity dropped from 62 to 55 percent during 1973-78. In overall quantitative terms the whole 1978 U.S. nuclear output could have been replaced simply by raising the output of partly idle coal plants most of the way to the level of which they are practically

[13] See Vince Taylor, "Energy: The Easy Path," report to the U.S. Arms Control and Disarmament Agency, 1979, available from the Union of Concerned Scientists.

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capable. And, contrary to the widespread assumption that a nuclear shutdown would cause serious regional shortages, an analysis of the balance within each regional power pool found that in 1978 all but 13 U.S. reactors, or all but two if surplus power were interchanged between regions, could have been shut down forthwith without reducing any region's "reserve margin" (spare capacity) below a prudent 15 percent of the peak demand.[14] Further confirming the loose coupling between nuclear output and oil saving, between 1978 and 1979 the United States reduced by 16 percent the amount of oil used to make electricity, while U.S. nuclear output simultaneously *fell* by 8 percent: the oil saving came instead from conservation and coal and gas substitution. Between the first quarters of 1979 and of 1980, total U.S. oil-fired generation fell 32 percent while nuclear output simultaneously fell 25 percent—hardly a substitution.

The OECD calculation above for 1975 exaggerates potential oil displacement by nuclear power, partly because reactors take not one night but about ten years to build. Reactors ordered today can replace no oil in the 1980s—and surprisingly little thereafter. The example of Japan, widely considered the prime case of need for nuclear power, illustrates reactors' relatively small eventual contribution to total energy supply. Quadrupling Japan's nuclear capacity by 1990 would reduce officially projected oil import dependence by only about ten percent.[15] An 18-fold increase by the year 2000—costing about a hundred trillion of today's yen and requiring a large reactor to be ordered every 20 days—could theoretically meet half of all Japan's delivered energy needs then, but fossil-fuel imports would still *increase* by more than two-thirds. "Rate and magnitude" calculations for other countries are equally discouraging.[16]

It may be said that without nuclear power, these examples would look even worse. But even prohibitively large nuclear programs cannot go far to meet officially projected energy needs. The official projections reflect an inability to face the fact that nuclear power cannot physically play a dominant role in any

[14] This analysis may be found in Steven Nadis, "Time for a reassessment," *Bulletin of the Atomic Scientists*, February 1980, pp. 37–44.

[15] Speech by Joseph S. Nye (then of the State Department) at the Uranium Institute, London, July 12, 1978.

[16] The analysis concerning Japan assumes energy demand consistent with 1978 official projections, and displacing two delivered energy units with each unit of nuclear electricity. For details and other examples, see Amory B. Lovins, "Is Nuclear Power Necessary?", London: Friends of the Earth Ltd., 1979; and Amory B. Lovins, "Economically Efficient Energy Futures," in Wilfred Bach *et al.*, eds, *Energy/Climate Interactions*, Dordrecht: Reidel, 1980 (in press). These two essays document section III and, in part, section V of this article.

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country's energy supply. Solving the oil problem will clearly require, not a nuclear panacea, but a wide array of complementary measures, most importantly major improvements in energy efficiency.

It is therefore necessary to *compare* the elements of this array in costs, rates, difficulties and risks, to ensure that one is displacing oil with the cheapest, fastest, surest package of measures. Just as a person shopping for the most food on a limited budget does not buy caviar simply for the sake of having something from each shelf, but seeks the best bargain in a balanced diet, so every dollar devoted to relatively slow and costly energy supplies actually *retards* oil displacement by not being spent on more effective measures. Nuclear power programs have been justified not by this rational test but by intoning the conventional wisdom stated in 1978 by Brian Flowers of the U.K. Atomic Energy Authority:

> Alternative sources will take a long time to develop on any substantial scale.... Energy conservation requires massive investment..., and can at best reduce somewhat the estimated growth rate. Nuclear power is the only energy source we can rely upon at present with any certainty for massive contributions to our energy needs up to the end of the century, and if necessary, beyond.[17]

Failure to assess *comparative* rates of oil displacement, as we shall do in Section V, runs the risk that, having like Lord Flowers dismissed alternatives as slow, conservation as costly, and both as inadequate, one may choose a predominantly nuclear future that is simultaneously slow, costly *and* inadequate.

Nuclear power is not only too slow; it is the wrong kind of energy source to replace oil. Most governments have viewed the energy problem as simply how to supply more energy of any type, from any source, at any price, to replace oil—as if demand were homogeneous. In fact, there are many different types of energy whose different prices and qualities suit them to different uses. It is the uses that matter: people want comfort and light, not raw kilowatt-hours. Assuming (as we do) equal convenience and reliability to the user, the objective should be to supply the amount and type of energy that will do *each task most cheaply.*

This common-sense redefinition of the problem—meeting needs for energy services with an economy of means, using the right tool for the job—profoundly alters conclusions about new energy supply. Electricity is a special, high-quality, extremely expensive form of energy. This costly energy may be economically worth-

[17] Brian Flowers, "Nuclear power," *Bulletin of the Atomic Scientists*, March 1978, pp. 21–26.

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while in such premium uses as motors, lights, smelters, railways and electronics, but no matter how efficiently it is used, it cannot come close to competing with present direct fuels or with present commercial renewable sources for supplying heat or for operating road vehicles. These uses plus feedstocks account for about 90 percent of world oil use and for a similar or larger fraction of delivered energy needs. The special, "electricity-specific" applications represent typically only seven or eight percent of all delivered energy needs—much less than is now supplied in the form of electricity.

In most industrial countries, therefore, a third to a half of all electricity generated is already being used, uneconomically, for low-temperature heating and cooling. Additional electricity could *only* be so used. Arguing about what kind of new power station to build is thus like shopping for brandy to burn in the car or Chippendales to burn in the stove.

The economic absurdity of new power stations is illustrated by an authoritative calculation of how much energy Americans would have bought in 1978 if for the preceding decade or so they had simply met their end-use needs by making the cheapest incremental investments, whether in new energy supply or in efficiency improvements.[18] Had they done so, they would have reduced their 1978 purchases of oil by about 28 percent (cutting imports by half to two-thirds), of coal by 34 percent (making the stripping of the American West unnecessary), and of electricity by 43 percent (so that over a third of today's power stations, including the whole nuclear program, would never have been built). The total net cost of such a program: about 17 percent less than Americans *did* pay in 1978 for the same energy services. Detailed studies of the scope for similar measures throughout the industrial world (and, where data are available, in developing countries) have given qualitatively similar results.[19]

If we did want "more electricity," we should get it from the cheapest sources first. In virtually all countries, those are, in approximate order of increasing price:

[18] See Roger W. Sant, "The Least-Cost Energy Strategy," Arlington, Va.: Energy Productivity Center of the Carnegie-Mellon Institute, 1979.

[19] See, for example, Gerald Leach *et al.*, *A Low Energy Strategy for the United Kingdom*, London: International Institute for Environment and Development, 1979; David Olivier *et al.*, report to the Energy Technology Support Unit (Harwell), London: Earth Resources Research Ltd., 1980 (in press); Florentin Krause, *Wirtschaftswachstum bei sinkenden Energieverbrauch*, Freiburg i. Br. (FRG): ÖKO-Institut, 1980 (in press); Jørgen Nørgård, *Husholdninger og Energi*, Kobenhavn: Polyteknisk Forlag, 1979; CONAES Demand and Conservation Panel, "U.S. Energy Demand: Some Low Energy Futures," *Science*, April 14, 1978, pp. 145–52; and Lovins, *loc. cit. supra*, footnote 16.

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1. Eliminating waste of electricity (such as lighting empty offices at headache level).
2. Replacing with efficiency improvements and cost-effective solar systems the electricity now used for low-temperature heating and cooling.
3. Making motors, lights, appliances, smelters, etc., cost-effectively efficient.[20]
4. Industrial cogeneration, combined-heat-and-power stations, solar ponds and heat engines, modern wind machines, filling empty turbine bays in existing dams, and small-scale hydroelectricity.[21]
5. Central power stations—the slowest and costliest known source.

The notion that despite all constraints—time, money, politics, technical uncertainties—nuclear power stations are at least a source of energy, and as such can be substituted for significant amounts of the dwindling oil supply, has long exerted a powerful influence on otherwise balanced imaginations. But it does not withstand critical scrutiny. It is both logistically and economically fallacious. The high cost of nuclear power *today* limits its conceivably economic role to the baseload fraction of electricity-specific end-uses: typically about four percent of all delivered energy needs. In purely pragmatic and economic terms, therefore, nuclear power falls on its own demerits.

IV

The arguments just summarized concerning the need for nuclear power might a few years ago have seemed remote and abstract. But nuclear power has in these years come under the strictest test of all, that of the market, and been found wanting. Rising costs,

[20] Typical savings for these terms are respectively about half, half to two-thirds, three-quarters, and two-fifths, with typical payback times around three, one to four, five and ten years respectively against marginal cost: primary sources are cited in Lovins, "Economically Efficient Energy Futures," *loc. cit.*, footnote 16. Combining these savings with the previous two steps typically yields total electrical savings of 60 to 80 percent or more, implying that today's U.S. economic output, and probably more, could be supplied using only present hydro, microhydro, and wind, but no thermal power stations of any kind. For documentation, see footnotes 16, 18, 19 and 36.

[21] An unlisted option in category 4, cheap solar cells (photovoltaics), will probably be on the market before anyone knows what to do with them and long before a recently ordered power station can be built. Though our analysis conservatively omits this option, the best conventional photovoltaic components already in pilot stage and scheduled for marketing in 1982–83, if combined into a single unit, would yield electricity comparable to or cheaper than that now delivered by conventional stations in industrial countries (see footnote 36, below, for documentation). Even at 1980 array prices ($6/W) photovoltaics are very attractive in most developing countries, which tend to have costlier electricity and little distribution grid: sunlight is distributed free.

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falling political acceptance, and dramatically decreased prospects for electricity demand and utility finance have brought nuclear power to a virtual standstill.

Universally—in the United States and in the U.S.S.R., in France and in Brazil, under the most varying conditions of government regulation—the direct economic costs of nuclear power in real terms (corrected for general inflation) have risen unrelentingly since reactors went "commercial." The most detailed cost data available happen to be from the United States, but the same trends and conclusions apply elsewhere.

A recent detailed statistical analysis of all the U.S. data, explaining 92 percent of their variation, has revealed that during 1971–78, real capital cost per installed kilowatt increased more than twice as fast for nuclear as for coal plants and already exceeds the latter by 50 percent, despite investments that decreased coal plants' air pollution by almost two-thirds and will soon have done so by nine-tenths. The same study concludes that for nuclear plants now starting construction, excluding the possible impact of tighter federal regulatory standards in the wake of Three Mile Island, nuclear capital costs will exceed those of coal by 75 percent, "indicating that many of the 90 U.S. [nuclear] units with construction permits could be converted to coal to provide cheaper electricity."[22]

The real costs of operating the nuclear fuel cycle from uranium mining to spent fuel storage have risen even faster. Unexpectedly high estimated costs for waste management, decommissioning nuclear plants after at most a few decades, and cleaning up past mistakes (for example, burying the hazardous tailings left over from uranium mining) add many billions of dollars in liabilities. Erratic reactor performance—poor reliability, cracks in key components, maintenance problems seeming to go with scarcely a pause from the pediatric to the geriatric—has afflicted most countries. And as cumulative losses mount into the billions of dollars, no vendor in the world appears to have made a nickel on total reactor sales.

Added to these economic woes is an ever less receptive political climate, punctuated by Browns Ferry, Three Mile Island, and 19-

[22] Charles Komanoff, "Cost Escalation at Nuclear and Coal Power Plants," submitted to *Science*, February 1980 (available from Komanoff Energy Associates, New York). Actual U.S. total nuclear generating costs in 1978 averaged about seven percent higher than for coal plants. Widely quoted claims to the contrary rest on selective omission of nearly all the costliest nuclear plants and cheapest coal plants; see Komanoff's "Power Propaganda: A Critique of the Atomic Industrial Forum's Nuclear and Coal Power Cost Data for 1978," Washington, D.C.: Environmental Action Foundation, 1980.

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year-old news of a disaster in the Urals. Demolition by peer reviewers compelled the U.S. Nuclear Regulatory Commission to declare that its 1975 Rasmussen Report (claiming that reactors are very safe) was no longer considered reliable, and the Canadian Atomic Energy Control Board to declare its Inhaber Report (claiming that renewable sources are very dangerous) officially out of print. The classically assumed "solution" to the nuclear waste problem—reprocessing, turning the high-level wastes into glass, and burying them in salt—turned out to be technically flawed. The nuclear industry's credibility, heavily committed to these and similar premises, suffered a meltdown that seems irreversible: as Mark Twain remarked, a cat that sits on a hot stove lid will not do so again, but neither will it sit on a cold one. Efforts to repair the effects of past lack of candor or foresight have exacted a high cost in top-level managerial attention—also a scarce resource—out of all proportion to nuclear power's modest potential contribution.

As costs rise and credibility falls, the market for more electricity is quietly evaporating. With the inevitable response to higher prices beginning, forecasts of electricity demand growth in most countries have been falling steadily. Some are nearing zero or negative values. U.S. electricity demand has consistently been growing more slowly than real GNP of late, and all the trends are downward. Forecasters unfortunately responded more slowly than consumers: over the past six years, U.S. private utilities forecast that peak demand for the following year would grow by an average of 7.8 percent, but the actual growth averaged only 2.9 percent.[23] Overcapacity in the United States will probably hit 43 percent in 1980 and continue to rise (perhaps past the British level of about 50 percent). U.S. overcapacity in excess of a prudent 15 percent reserve margin is already well over twice the present nuclear contribution. It is indeed so large that if *all* U.S. powerplant construction were stopped immediately, growth in peak demand at an annual rate of 1.2 percent—twice that experienced in 1979—would still leave a national reserve margin of 15 percent in the year 2000. Growth by at least 2.2 percent per year could be accommodated if the economically advantageous industrial cogeneration potential were tapped. The market for power stations of any kind is simply imaginary.

Finally, nuclear (or fossil-fueled) power stations and their grids incur such extraordinary capital costs and take so long to build that utility cash flow is inherently unstable. Any utility, whether

[23] See *The Energy Daily*, October 30, 1978, pp. 3–4, and December 20, 1979, pp. 3–4.

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public or private, regulated or not, which persists in building such plants will sooner or later go broke, and many are already doing so.[24] Funding for new plants is scarce and costly; and even if it is available, building new plants is simply no longer in utilities' financial interest.

These problems, singly and interactively, have taken their toll on industry morale, investor confidence, and resulting expectations. In only six years from 1973, nuclear forecasts for 2000 fell by a factor of five for the world, nearly four for West Germany (no new orders since 1975), and eight for the United States (*minus* 27 net orders during 1974–79). Nuclear forecasts worldwide are still plummeting—more for economic than political reasons. The U.S.S.R., for example, achieved only a third of its nuclear goal for the 1970s, half for the past five years. And although there have been essentially no procedural barriers to building reactors in Canada, the pattern of decline in nuclear capacity forecast for the year 2000 has been all but identical in Canada and the United States.

Despite intensive sales efforts and universal subsidies (often up to or exceeding total costs), the drop in expectations for nuclear power has been even faster in developing countries, paced by Iran, which projected 23,000 megawatts for 1994 and will probably get zero, and by Brazil, which projected 75,000 megawatts for the year 2000 and is unlikely to want more than the 2,000 megawatts that are now in serious difficulties. Total nuclear capacity in all developing countries in 1985 is now unlikely to be as much as 13,000 megawatts, or about the present West German level. Even if giveaway offers tempt new customers (perhaps Mexico, Kenya, Turkey, Zaïre) to undertake the well-known problems of integrating gigantic, very costly, complex units into rather small grids in countries poor in infrastructure, that extra "business" would be a tiny fraction of the loss elsewhere. It would not even be profitable

[24] Capital costs are assessed in Amory B. Lovins, *Soft Energy Paths: Toward a Durable Peace*, New York: Harper and Row, 1979, Chapter 6, updated in "Soft Energy Technologies," *Annual Review of Energy*, 1978, pp. 477–517, and in letters in *Science*: April 28, 1978, pp. 381–82; September 22, 1978, pp. 1077–78; December 22, 1978, pp. 1242–43; and April 13, 1979, pp. 124–29. The utilities' financial problems are treated in California Public Utilities Commission, *Proceedings of the Conference on Energy Efficiency and the Utilities: New Directions (April 18–19, 1980)*, San Francisco: Public Utilities Commission, 1980 (in press); Irvin C. Bupp *et al.*, "Some Background Information on the Financial Condition of Certain Investor Owned Electric Utility Companies," Harvard Business School, March 30, 1980; *The Times* (London), March 1, 1980, p.1; Amory B. Lovins, "Electric Utility Investments: *Excelsior* or Confetti?", March 1979 paper to E.F. Hutton utility investors' conference, forthcoming in *Journal of Business Administration*, Vancouver, 1980 (in press); and "Energy: A Dark Future for Utilities," *Business Week*, May 28, 1979.

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business—only a way to inject export-bank funds into the vendors' ailing cash flows.

The collapse of nuclear markets has already sealed the fate of an industry tooled up to meet the inflated expectations of the early 1970s. Even with continued domestic and export subsidies, withdrawals by major firms seem inevitable. While rhetorically the world nuclear enterprise is pressing forward, in reality it is grinding to a halt and even slipping backward. The greatest collapse of any enterprise in industrial history is now underway. Thus, as Harry Rowen and Albert Wohlstetter remark,

> . . . the argument sometimes shifts subtly from the needs of a robust and inexorably expanding industry to the sympathetic care required to keep alive a fragile industry that is on the verge of expiring altogether.[25]

The industry's long-term hope has been "advanced" plutonium technologies. But their first stage, recycling plutonium in conventional power reactors, was officially acknowledged in the U.K. and West Germany in 1977–78 to save too little uranium to pay for the reprocessing and other costs. Even the INFCE study, generally enthusiastic about plutonium, failed to find recycle inviting. Contrary to one of the earlier arguments advanced for reprocessing, INFCE has now concurred in the official positions of Canada, the United States and Sweden that reprocessing is not necessary for waste management. (Some experts believe reprocessing may even make it more difficult.) Similarly, one of the strongest arguments earlier advanced for reprocessing and plutonium-related technologies—that fission reactors would need so much uranium as to create shortages—is rapidly receding.

In short, the economics of fast breeder reactors look ghastly until far into the next century.[26] There are indications that prospects for funding and finding acceptable sites for the extremely costly next-stage breeder projects range from only fair (in France and the U.S.S.R.) to poor (in West Germany, Japan, the United States and the U.K.). Even sympathetic officials are realizing that the 50-fold potential improvement in uranium utilization that successful breeders might produce cannot in fact be achieved for well over a century because of the time it takes the breeder's fuel cycle to come to equilibrium; for the next 50 to

[25] Rowen and Wohlstetter, *op. cit.*, footnote 2.

[26] See Brian G. Chow, "Economic Comparison of Breeders and Light Water Reactors," report AC8NC113 to the U.S. Arms Control and Disarmament Agency, Pan Heuristics, 1979; also see Michael J. Prior's analysis prepared for the November 1978 South Bank Polytechnic conference, available from the author at NCB-IEA Services, 1415 Lower Grosvenor Place, London SW1.

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80 years, the modest uranium savings that could be realized through breeders could be achieved much more cheaply and surely through uranium-efficient thermal reactors instead.[27] Costly, difficult breeder programs are thus looking increasingly like a commercial blunder, akin to pushing the Concorde while others developed jumbo jets. Further attempts to deploy breeder reactors in an already hostile political climate could indeed jeopardize the limited acceptance now enjoyed by thermal reactors.

The loss of momentum for the breeder, and for the nuclear program which it was to culminate, is reflected at the highest political levels in all the main nuclear countries of OECD and beneath the surface throughout the Soviet scientific community. At various times in the past few years, the British, French, and West German cabinets have been sharply split over whether the whole electronuclear program makes sense.[28] Chancellor Helmut Schmidt has even speculated that 20 billion marks may have been thrown out the window.

How has U.S. policy affected the foreign nuclear debate at all political levels? U.S. technological dominance of the nuclear arena, though still preeminent, is no longer hegemonic; but U.S. political dominance of world energy policy effectively is. So far it has been exercised in exactly the wrong direction.

U.S. policy pretends that the nuclear collapse is not happening, or that if it is, it shouldn't be and deserves no encouragement. The Energy Secretary has just committed two-fifths of his budget for the next five years to nuclear power. The State Department says that *not* using nuclear power would make proliferation worse. Presidential confirmations of the necessity and the large energy potential of nuclear power have bolstered sagging programs in

[27] See Harold A. Feiveson *et al.*, "An Evolutionary Strategy for Fission Power," *Science*, January 26, 1979, pp. 330–37.

[28] The French program, widely portrayed as robust, is in reality fragile. It is proceeding, for the moment, with a heavy mortgage. See Jean-Claude Derian and Irvin C. Bupp, "Running Water: Nuclear Power on the Move in France," September 6, 1979, available from Professor Bupp at the Harvard Business School. To continue for long, the program must find a way to fix the growing cracks in the reactors; make the Cap La Hague reprocessing plant work; solve the waste problem; find reactor export markets to support the monopoly vendor Framatome; find markets for more electricity to keep Électricité de France solvent (the recent forgiveness of five milliard francs of EdF's debt helps only temporarily); find politically acceptable reactor sites; make a truce with the main nuclear union; and win public acquiescence by means more lasting than mere autarchy. Each of these problems may be soluble in isolation, but the chances of solving them all look slim. See also Sadruddin Aga Khan, "The Nuclear Power Debate in Western Europe," *Bulletin of the Atomic Scientists*, September 1979, pp. 11–12; for political analogies, see Luther Gerlach, "Energy Wars and Social Change" and "Can Independence Survive Interdependence?", Department of Anthropology, University of Minnesota, Minneapolis 55455, 1979; Amory B. Lovins, "Democracy and the Energy Mobilization Board," *Not Man Apart*, February 1980, pp. 14–15, Friends of the Earth, San Francisco.

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countries poorer in fuels. Promotional rhetoric has given the nuclear industry a license to present in Europe a false but largely uncontested image of a flourishing American nuclear program (and vice versa). The State Department does not know, and seemingly does not want to know, that however monolithic the policy front presented by other countries (an appearance carefully orchestrated by the U.S. nuclear industry), every national nuclear policy is riven from top to bottom by doubt and dissent. Whatever the United States has done, in policy or in rhetoric, has helped one side of those internal debates and hurt the other. Yet the State Department, maintaining a meticulously lopsided neutrality, has never appreciated that the most powerful U.S. lever for affecting foreign nuclear policies in either direction was not blunt instruments like fuel supply, but rather the *political example* of stated and applied U.S. energy policy in its broadest terms.

Ignoring this influence on domestic energy politics abroad, advocates of continuing subsidized nuclear exports have argued that if the United States does not supply sensitive nuclear technologies, others will, so the United States might as well—and that since others can, the United States has no "leverage" to justify abstention. As Harry Rowen and Albert Wohlstetter put it, "We can retain our leverage only if we never use it. A lever is a form of abstract art rather than a tool giving us a mechanical advantage." Today the United States proclaims itself anxious to be seen as a "reliable supplier," spends five billion dollars on a gratuitous expansion of a centrifugal enrichment capacity to take on new fuel export commitments, and seeks to make those commitments irrevocable; yet at the same time it asks itself, half aloud, how much "leverage" it can obtain by exporting more U.S.-fueled reactors as hostages to later sanctions. Both kinds of exports leave the United States in the unpalatable position of vigorously proliferating in the name of nonproliferation, sacrificing for a weak and counterproductive physical leverage a strong and positive political leverage.

How real is that political leverage? The political vulnerability of nuclear projects was strikingly illustrated in 1979 by the West German government's firm commitment, allegedly crucial for national survival, to build an enormous reprocessing and waste-disposal plant at Gorleben in Lower Saxony. The State Department, citing sensitive alliances, had passed up low-cost opportunities to scuttle analogous projects nascent in the U.K., France, and Japan before still-fluid political commitments to them had solidified. In the German case, they seemed solid already, but

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inwardly there were doubts, and to defuse local opposition the governor of Lower Saxony commissioned a technical review by an ad hoc panel of 20 independent experts from 5 countries.[29] Their report was so comprehensively devastating that neither the Chancellor's party in Lower Saxony nor, privately, the project's own promoters could defend it, and Bonn had to cancel it outright. If a mere report and hearing with no official resources behind them can be the catalyst that reverses a supposedly irrevocable national commitment, what political leverage might a country—especially the United States—apply by the example of its whole energy policy?

In sum, the forces of the market—in combination with new and more searching analysis of other factors—have made the future of nuclear power so precarious that a change in policy by the United States, or by several other countries, would greatly hasten the dawning realization that nuclear power has no valid future either in industrialized or developing countries. The issue is not whether to maintain a thriving enterprise, but rather whether to accept the verdict of the very calculations on which free market economies rely.

V

To this point we have been balancing the dangers of nuclear fission power's crucial contribution to the spread of nuclear bombs against its necessarily limited role in the total energy picture and against the mounting evidence that even in that limited role nuclear power simply does not make economic sense (as well as raising serious safety and social issues, on which it is hardly necessary to dwell). The balance is overwhelmingly negative, and should in itself suffice to conclude that it is time to phase out nuclear fission power once and for all.

But, to make a fully rounded presentation, we need to consider what is needed affirmatively to meet the world's energy needs. It is sometimes argued that nuclear expansion is necessary, in the words of W. Kenneth Davis of the Bechtel Corporation, "to minimize the risks of war in a world struggling for growth in the face of inadequate and poorly distributed sources of energy." In fact, the balance on this criterion would be even more decisive: nuclear power creates its own set of international conflicts—over uranium, fuel cycle services and technologies—and it unavoidably

[29] See Gorleben International Review, *op. cit.* footnote 8, for details. The report and adversarial hearings on it are summarized in Hermann Graft Hatzfeldt *et al.*, eds., *Der Gorleben Report*, Frankfurt/M.: Fischer, 1979. See also *Rede-Gegenrede: Symposium der niedersächsischen Landesregierung zur grundsätzlichen sicherheitstechnischen Realisierbarkeit des integrierten nuklearen Entsorgungszentrum:* Niedersächsische- und Landesregierung, Jan./Feb. 1980.

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and incontinently spreads bombs, innocent disguises for bombs, and the ambiguous threat of bombs that motivates rivals to acquire them.

Yet there *is* a danger of international conflict for sources of energy, and it revolves primarily around oil. How then can the oil saving so central to security and peace be achieved? Broadly speaking, the important oil-saving measures are distressingly simple: stop driving Petropigs and stop living in sieves.

Cars use about half of all U.S. oil, about a sixth of European and Japanese oil.[30] An average car today gets, in round numbers, about 15 miles per U.S. gallon in North America, about 20 to 25 in Europe and Japan. The average new domestic car sold in the United States in 1979 got about 19, the average import about 32—a sixth better than the congressionally mandated level for 1985 models. A diesel Rabbit, with only a tenth less interior space than the average U.S. model-year 1978 car, averages about 45 miles per gallon, its successor model about 64. Volkswagen has already tested a four-passenger advanced diesel car with measured EPA composite efficiency of 70 to 80 mpg. A big, comfortable car using either an infinitely variable transmission or a diesel-electric series hybrid drive would readily do better than that (as European prototypes have done) even without using existing technologies for very lightweight but crashworthy body design.[31]

For any country, accelerated turnover of the car and light truck stock would provide major, quick and cheap relief of oil import dependence—and great benefits to domestic industry. The car stock normally takes about ten years to turn over, and the collapse of trade-in value for North American gas-guzzlers has only accelerated their filtering down to poor people who can least afford to run or replace them. Rather than building synthetic-fuel plants, it would be much quicker and cheaper to save oil by using the

[30] In Europe, most of the oil is used for low-temperature heating (which is, for example, half of all delivered energy needs in West Germany) and for industrial heat. In Japan, industry dominates, and oil must be saved chiefly by efficiency improvements there—for which there is surprising scope, since energy has been subsidized even more heavily in Japan than in the United States, and cost less in Japan until 1973. The main transitional role of coal, too, is to replace oil and gas under industrial boilers (especially with cogeneration), not in new power stations, and this will not entail a vast expansion of world coal-mining or trade if cost-effective efficiency improvements are done first.

[31] In the series hybrid design, a diesel engine (or fuel cell) runs a generator which charges a few ordinary batteries which run drive motors. The batteries power acceleration and recharge with deceleration. The diesel, meeting only the average load at constant speed and torque, is small, clean and extremely efficient. It can also be replaced by a fuel cell. For a fuller account of more conventional approaches to super-efficient cars, see Robert H. Williams, "A $2 a Gallon Political Opportunity," PU/CEES-102, and Frank von Hippel, "Forty Miles a Gallon by 1995 or Bust," PU/CEES-104, Center for Energy and Environmental Studies, Princeton University, 1980.

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same funds to pay anywhere from half to all of the cost of giving people *free* diesel Rabbits or Honda Civics (or an equivalent American car if Detroit would make one) in return for scrapping their Brontomobiles. Alternatively, it would be quicker and cheaper to save oil by giving cash grants approaching $200 for every mile per gallon by which a new car improves on a scrapped gas-guzzler.[32] For once, what's good for General Motors might be good for the world. Replacing all U.S. cars with hybrids getting a modest 60 miles per gallon (achievable now using off-the-shelf components in a big, two-ton car) would save nearly four million barrels of oil per day—half the present rate of U.S. net oil imports, greater than imports from the Gulf, two and a half North Slopes, 80 big synfuel plants, or several Irans. Precisely the same logic applies in other countries.

Even an elementary program of systematically applied building "retrofits" (making old buildings efficient), cost-effective at present prices, would save half to two-thirds of space-heating energy, whether in the United States, United Kingdom, or Denmark, without coming anywhere near technical or economic limits.[33] (Doing that would reduce space heating needs to approximately zero even in a subarctic climate.) In the United States alone, half the space-heating energy could be saved by the mid- to late-1980s, equivalent to two and a half million barrels of oil per day.[34] Improved heat-tightness so far—17 percent better for American gas-heated dwellings during 1972–79, 20 percent for West German oil-heated single-family dwellings during 1973–79—illustrates the thesis but improvements so far have barely scratched the surface.

In short, just the two largest single terms in improved U.S. energy productivity, just in the 1980s, and pursued to a level far short of what is technically feasible or economically optimal, would together displace four-fifths of U.S. net oil imports. They would "supply" energy at nearly five times the rate deliverable by the maximum U.S. nuclear capacity physically achievable in the same period—at a small fraction of the cost. And they would do

[32] An average U.S. car annually goes about 10,000 miles and uses about 17 barrels of crude oil equivalent. A marginal one-mile-per-gallon improvement saves about one barrel per year and gives, at a $200 cost, a five-year payback against delivered synfuels (over $40/bbl). The worst cars would pay back faster; better ones, more slowly. A bounty should also be offered, based on efficiency and expected lifetime, for scrapping gas-guzzlers without replacing them.

[33] See Arthur H. Rosenfeld et al., "Building Energy Compilation and Analysis," LBL-8912, Lawrence Berkeley Laboratory, Berkeley, California, 1979; also see Sant, Leach, Krause, and Nørgård, cited in footnotes 18 and 19.

[34] See Marc Ross and Robert H. Williams, "Drilling for Oil and Gas in Our Buildings," PU/CEES-87, Center for Energy and Environmental Studies, Princeton University, 1979.

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this before a reactor ordered today could deliver any energy whatsoever.

Such energy-saving measures in all sectors can form the keystone of a coherent "soft" energy strategy if combined with transitional fossil-fuel technologies and with a steady shift, over 50 years or so, to reliance on diverse renewable sources, matched in scale and in energy quality to their tasks.[35]

The four years since the emergence of this concept of a "soft" energy strategy have seen astonishingly rapid analytic and practical progress. As a result of thousands of studies and experimental projects, what was controversial has become widely accepted. Economic claims once made with caution can now be made with confidence. Findings extrapolated from early analyses in a handful of countries are now bolstered by dozens of far more detailed studies in about 15 countries and many localities—and, increasingly, by practical demonstrations on a significant scale.

At the same time, projections of future needs for energy, and hence for major facilities to supply it, have dropped strikingly. Today the highest official estimates of U.S. energy needs in the year 2000 are below the lowest, most heretical unofficial estimates made in 1972. The lowest official estimates, still assuming a two-thirds increase in real GNP, are less than half as large, and more than a quarter *below* today's level.[36] The downward trend continues as new studies incorporate greater detail (identifying more opportunities for saving) and rapid recent technical progress in raising energy productivity to an economically efficient level. This

[35] See Amory B. Lovins, "Energy Strategy: The Road Not Taken?", *Foreign Affairs*, October 1976, pp. 65–96, expanded in *Soft Energy Paths*, cited in footnote 24. Besides such technical elements as we mention here, a soft energy path is defined by its avoidance of the political costs that characterize a "hard energy path": centrism, autarchy, vulnerability, technocracy. Its policy instruments are noncoercive and market-oriented. It neither assumes nor requires that car efficiency, for example, be improved by the particular means mentioned herein. Our soft-path analysis assumes rapid, undifferentiated, and worldwide economic and industrial growth; no significant changes in social goals, composition of economic output, or patterns of settlements, political organization, or behavior; and implementation only through "technical fixes"—that is, presently proven, presently economic technical measures with no significant effect on lifestyles. Readers who consider today's values or institutions imperfect are welcome to assume some mixture of technical and social change which would simplify implementation, but as a conservatism, we have not done so; we assume a "pure technical fix."

For a good example of the progress made in this area, and the degree to which soft energy strategies have become common coin, see Robert Stobaugh and Daniel Yergin, eds., *Energy Future*, New York: Random House, 1979. It is interesting that the illustrative 95-quad demand for energy in the year 2000 shown in 1976 in "Energy Strategy: The Road Not Taken?" was precisely the forecast published two years later by Energy Secretary Schlesinger (for a real oil price of $32/bbl).

[36] These estimates may be found in Solar Energy Research Institute, "Sustainable Prosperity: An Efficient Solar Future," draft report to the U.S. Department of Energy, May 26, 1980 (to be published by the Institute, Golden, Colorado).

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level is at least several times that now prevailing in the most energy-efficient countries: at least a fourfold improvement in West Germany, sixfold in the U.K.[37]

Far from being uselessly slow, efficiency improvements are the fastest growing energy source today. Of all new energy "supplies" to the nine EEC countries during 1973–78, about 95 percent came from more efficient use and only 5 percent from all supply expansions combined, including North Sea oil and nuclear power—a ratio of about 19 to 1 in favor of conservation. In Japan, the corresponding ratio rose to about 10. In the United States, it averaged about 2.5; but in 1979, real GNP rose 2.3 percent while total energy use *declined* 0.2 percent—remarkable progress in view of the more than $100 billion in annual tax and price subsidies which underprice fuels and power by more than a third. During 1973–78, total U.S. efficiency gains yielded twice as much energy-"supplying" capacity, twice as fast, as synthetic-fuel advocates claimed they could do—except that their option, if it worked, would have cost 10 times as much. Even this 10 percent gain in national energy efficiency was less than a third of what would have been worthwhile at 1978 energy prices.[38] The 1973–78 efficiency gains in U.S. industry alone yielded twice the 1978 "supply" of Alaskan oil, but left the oil in the ground. By 1979, total post-embargo savings were at least five million barrels of oil equivalent per day, nearly two-thirds of 1979 net oil imports.

In a crisis the normal reflex is to abandon competition among many solutions in favor of single but dramatic nonsolutions (as in the 1979 post-gas-line White House hysteria for synthetic fuels). But these examples show that the centrally managed supply programs are being far outpaced by millions of individual actions in the market. There are three further structural reasons why efficiency gains and soft technologies can displace oil far faster than other methods:

—The soft-path investments have construction times per unit measured in days, weeks or months, not ten years.

—They diffuse into a vast consumer market, rather like citizen's-band radios, snowmobiles and pocket calculators, rather than requiring tedious "technology delivery" to a narrow, specialized and dynamically conservative utility market.

[37] See Krause and Olivier, *op. cit.* footnote 19.

[38] See Vince Taylor, "The Easy Path Energy Plan," 1979, available from the Union of Concerned Scientists; and Sant, *loc. cit.* footnote 18. The energy "supplies" from conservation calculated in this paragraph are the difference between the energy actually used to produce economic output in a given year and the energy that would have been needed to do so at previous levels of technical efficiency.

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—The institutional barriers that hold back their dozens of technological categories are largely independent of each other: microhydro is held back by regulatory problems, air-to-air heat exchangers by the need to retread the building industry. Because these and analogous problems are not generic—like the major-facility siting problems that hold back all hard technologies everywhere at once—dozens of relatively slowly growing individual wedges of soft technologies and efficiency improvements can independently add up by strength of numbers to very rapid total growth.

Desubsidization, tariff reform, replacement-cost pricing (or equivalent rules for allocating capital), and purging of institutional barriers are difficult problems—though easier than the alternative. Their solution, though no longer mysterious, is still at an early stage. Yet price incentives have already accelerated soft-path implementation. Still faster implementation could be achieved by reinventing and adapting the institutional innovations used in the past for major national adaptations, such as the changes of electrical voltage in Sweden or frequency in Toronto and Los Angeles, the advent of North Sea gas and smokeless fuels in Britain, right-hand driving and district heating in Sweden. It is chastening to recall that when the Swedish government in 1767 commissioned development of the Cronstedt recirculating stove, five times as efficient as the open fires that were causing a firewood crisis, the solution was perfected and published within eight years; mandatory conversion was rapid throughout Sweden; and soon the stoves were all over Northern Europe.

Developing countries should be able to achieve the same ultimate efficiencies as industrialized countries, but faster and cheaper, because they can use the most energy-efficient technologies from scratch (the world's most efficient steel mill is said to be in Kenya), rather than having to install them by slow and costly retrofit of existing plants. On this basis, preliminary estimates suggest that a completely industrialized world of eight billion people, with a standard of living somewhat above today's West European average, need use no more total energy than the world uses today.[39] This energy need—less than a tenth electricity, about

[39] See Lovins, "Economically Efficient Energy Futures," *loc. cit.*, footnote 16. (Such a future may be impossible or undersirable on grounds other than energy availability.) Third World analysts are right to attribute the world's energy crisis to the North, but the absolute amount of waste in the North is irrelevant to the merits of efficiency-improving investments in the South. Their scope and attractions are immense; see, for example, Lovins, "Economically Efficient Energy Futures," pp. 9–13, and the sources in footnotes 37 through 44; World Bank Staff Working Paper 346, "Prospects for Traditional and Non-Conventional Energy Sources in Developing Countries," 1979; Elizabeth Cecelski *et al.*, "Household energy and the poor in the third world," Washington, D.C.: Resources for the Future, 1979.

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a fifth liquid fuels for vehicles, the rest heat—lends itself to supply entirely from well-known soft technologies.

Carefully selected and efficiently used, the best soft technologies already in or entering commercial service, and matched to local needs and climates, are sufficient to meet virtually all long-term energy needs in every country so far studied, including the United States, Canada, U.K., the Federal Republic of Germany, France, Denmark, Sweden and Japan—a suggestive list, as it includes countries that are simultaneously cold, cloudy, densely populated, and heavily industrialized. This assumes no technologies yet to be developed, but only the best *present* art in passive and active solar heating, passive solar cooling, high-temperature solar heat for industry (collectable even in cloudy winters), converting farm and forestry wastes to liquid fuels for vehicles, present and small-scale new hydroelectricity, windpower, and in some cases other simple devices such as woodburners, biogas plants, and low-temperature heat engines. The appropriate mix of sources (each containing a vast array of subcategories and hybrids) varies between and within countries, but even countries poor in transitional fuels, such as Japan, appear to be amply rich in renewable energy if each kind is intelligently used to do the tasks it does best.[40]

Given careful shopping for clever designs, efficient marketing structures, and cost-effective efficiency improvements done *first* (thus making renewable supply smaller, simpler, cheaper and more effective), soft technologies can be—though not all are—cheaper than today's oil. More important, they are consistently cheaper in capital cost, and several times cheaper in delivered energy price, than the power stations or synfuel plants which would otherwise have to be built to replace the oil and gas. This comparison is conservative, is based on empirical cost and performance data, and omits all "external" costs and benefits. Thus, as the Harvard Business School energy study recently found, the cheapest energy investments are the efficiency improvements, then soft technologies, then synfuels, and last—costliest—power stations. Most countries have so far taken these options in reverse order, worst buys first.

The early debate over the technologies and costs of the soft path gave way, as critics verified the references, to a residual philosophical debate: Will people do it?[41] No analyst's view of what is

[40] See Haruki Tsuchiya's supply data in *Soft Energy Notes*, May 1980 (in press). Topical technical studies are reported bimonthly in *Soft Energy Notes* by the International Project for Soft Energy Paths; the first seven issues are reprinted free by the Office of Solar Policy, U.S. Department of Energy, as DOE/PE-0016-1.

[41] See Hugh Nash, ed., *The Energy Controversy: Soft Path Questions and Answers*, San Francisco: Friends of the Earth, 1979.

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important or tolerable to people can substitute for asking them. The debate reduces to the Jeffersonian (and market economics) view that people are pretty smart and, given incentive and opportunity, can choose wisely for themselves, versus the Hamiltonian view that these complex issues must be centrally decided by a technocratic elite. Under the latter philosophy, energy policy requires massive central planning and intervention which, under the former, it cannot tolerate.

Recent experience of what works is empirically resolving this dispute in favor of the Jeffersonians. Under a no-strings grant program, Nova Scotians weatherized half their houses in one year. The people of Fitchburg, Massachusetts, by door-to-door citizen action, did the same in seven weeks, saving a quarter of the town's heating oil. Of the roughly 200,000 U.S. solar buildings, half are passive and half of those are retrofits (greenhouses added to existing buildings). In the most solar-conscious communities, from a quarter to all of the 1978–79 housing starts were passive solar. More than 150 New England factories, and half the rural households in many areas, switched from oil to wood. Over half the states have active fuel alcohol programs. Small-scale hydro reconstruction is flourishing. More than forty manufacturers of wind machines share an explosively growing market whose two biggest commercial commitments in 1979 totalled $230 million. The size, dispersion, rate and diversity of soft-path activities are now so great that national authorities are only dimly aware of how fast their own targets are being overtaken.[42]

Governments face special institutional barriers internally. Reactors can be ordered from Bechtel, KWU, Framatome, Mitsubishi; but the centers of excellence in soft technologies are scattered, unprestigious, impecunious, all but unknown. Historic patterns of reward and prestige make bureaucracies safe for incompetence, bypass vision, and scorn technologies that are sophisticated not in their complexity but in their simplicity. But in national terms soft technologies, by contrast, are politically efficient, for they are correctly perceived to be relatively benign; their impacts are in general directly sensible and susceptible to common-sense judg-

[42] Hundreds, probably thousands, of North American counties, cities and towns are consciously seeking to implement most or all of the elements of a soft energy path. See *Proceedings of the First Annual Conference on Community Renewable Energy Systems* (Boulder, August 1979), Golden, Colo.: Solar Energy Research Institute, 1980 (in press); *Renewable Energy Development: Local Issues and Capabilities*, DOE/PE/0017, Washington, D.C.: U.S. Department of Energy, 1980; James Ridgeway, *Energy-Efficient Community Planning*, Emmaus, Pa.: JG Press, 1979; Office of Consumer Affairs, *Energy Consumer*, Washington, D.C.: U.S. Department of Energy, February/March 1980; and project lists from the Center for Renewable Resources in Washington, D.C., the Institute for Local Self-Reliance, in Washington, D.C., and the Institute for Ecological Policies, in Fairfax, Virginia.

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ments; they are chosen in the marketplace and at a democratically accountable political level; and they give their costs and benefits to the same people at the same time, so the recipients can decide how much is enough.

Some will think that permitting nuclear power to die is a drastic gamble, prematurely sacrificing an insurance policy which we may desperately need if alternatives do not work.[43] But the real insurance policy, besides present overcapacity, is the well-proven, completely conventional efficiency improvements and transitional fossil-fuel technologies (such as cogeneration) which can each unquestionably provide more electricity faster and cheaper than nuclear power but were left out of official projections. The need for nuclear power is not established by merely raising doubts about the capacity of renewable sources to take over quickly. Nor is nuclear need "during the transition" established by citing a scarcity of transitional fuels, for this begs the question of what will fuel the even longer transition to nuclear dependence. Whether or not a country has indigenous fossil fuels has nothing to do with whether nuclear power or soft-path investments can displace that country's oil use faster.

It is neither necessary nor desirable to do everything at once, and some options exclude others. Keeping the nuclear industry alive, even in a semi-comatose state, is not like offering vitamin tablets; it demands heroic measures to resuscitate and artificially sustain the victim of an incurable attack of market forces. Of our finite resources, only crumbs would remain. Countries wanting to shift to reliance on renewable sources—both the adequate ones already available and the improved ones being rapidly developed—must do so before the relatively cheap fossil fuels, and the relatively cheap money made from them, are gone. They are going fast. In this transition, nuclear power does not complement but devours its rivals. It is a long, irreversible step in the wrong direction.

## VI

The section just concluded has focused largely on the potential of the soft energy path for industrialized countries. What of the

[43] It is also often argued that the cost of writing off nuclear plants now operating or being built would be prohibitive. But in fact, their extra electricity can in general be used only for low-temperature heating and cooling. The cheapest ways of doing those tasks—efficiency improvements and passive solar measures—cost less than the running costs alone for a newly built nuclear plant, so it is cheaper to write off such a plant and never operate it. Under U.S. tax law, this saving plus the saved future utility profits and tax subsidies would probably suffice to recoup the plant's capital cost too. Similar arguments apply to partly built, partly amortized, and fossil-fueled power stations.

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developing countries? And what, in particular, of the statement of purpose of the International Atomic Energy Agency, which in 1957 undertook to promote the spread of nuclear energy for exclusively peaceful purposes, especially in developing countries—and of the obligation stated in Article IV of the Non-Proliferation Treaty of 1970, under which all the parties to that treaty undertook "to facilitate" and have a right "to participate in, the fullest possible exchange of equipment, materials . . . and information for the peaceful uses of nuclear energy," with an "inalienable right" to peaceful uses "without discrimination"?

The first thing to be said about Article IV is that it is, by its own terms, subject to conformity with the primary obligations of the same Treaty: Article I, in which nuclear weapons states promise not to transfer bombs or "in any way to assist [or] encourage" the acquisition of bombs by others, and Article II, in which non-weapons states promise not to seek or acquire bombs.

The ambiguity inherent in this compromise between promoting reactors and prohibiting bombs has been well exploited. Some nations, for varying reasons, adopt the nuclear industry's view that Article IV legitimates or even mandates the supply to all NPT adherents of plants that yield pure bomb materials, or of those materials themselves, so long as they have some civilian use. Suppliers' declarations of "restraint" in making "sensitive" transfers (code for "unsafeguardable in principle") have not said that such transfers would breach the Article I obligation "not . . . in any way to assist," but have accompanied reaffirmed commitments to export more reactors.

Any attempt to resolve this ambiguity seems to some parties a discriminatory abrogation of their own hallowed interpretation. Tempers are running high. But the impasse results from misstating the problem. Denial—of bombs to states lacking them—is the central purpose of the NPT. The compensatory rewards to non-weapons states were stated in terms of nuclear power because of the nuclear context and background of the negotiators, not as an expression of the essential purpose of Article IV.

As conventionally construed, Article IV is an obligation to facilitate a transfer which is in fact now a liability for its ostensible purpose of providing energy, but is singularly useful for its forbidden purpose of providing bombs. Nuclear power is something which under Article I the givers mustn't give and under Article II the recipients shouldn't ask for. The time is therefore ripe to reformulate the bargain in the light of new knowledge. Instead of denying or hedging their obligation, the exporting nations should

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fulfill it—in a wider sense based on a pragmatic reassessment of what recipients say their real interests are. When Eisenhower spoke in the fading glow of FDR's rural electrification program, and when the NPT was negotiated at the zenith of cheap oil, nuclear power was expected to be cheap, easy, and abundant. Now that everyone knows better, recipients should insist on aid in meeting their declared central need: not nuclear power per se but rather *oil displacement and energy security.*

The arguments that efficiency improvements and available soft technologies can displace oil and meet energy needs better than nuclear power are in fact strongest in developing countries, where capital, delivery systems, infrastructure, and income are most limited.[44] By enhancing resilience, self-reliance, and economic strength, a soft path aids national security. It can serve equally well, we shall suggest, another legitimate motive: prestige. It does not serve the illegitimate motive which NPT adherents have disavowed: getting bombs. It thus isolates legitimate from illegitimate motives and makes proliferators explicitly reveal their intentions.

To the extent that developing countries seek reactors for prestige, the West's bad example is to blame. But prestige is normally defined in terms of an accepted theory of national welfare. Reality has debunked the fantasy that nuclear power would make deserts bloom, cities boom, and villages prosper. Enormous diversions of national resources for pitiful ends may comfort nuclear bureaucrats, but not a finance minister facing massive oil debts, a district commissioner fighting deforestation, or a prime minister whose people still cannot cook their rice. Clay stoves, biogas plants, and cogeneration may lack sex appeal for technocrats, but a practical politician has more to gain from thousands of small, successful projects than from a single ribbon-cutting. Romantic images can have a long half-life, but ultimately market forces will work, and investment in pyrolyzers and windmills, solar cells, and solar stills, will become commonplace and "respectable." To hasten the demise of decisions based on bad economics and false glamor, the industrialized countries need simply to ask that buyers of nuclear power pay for it—and to provide a psychological lead, as when 81 percent of Swedes voted in 1980 to stop reactor ordering and phase out nuclear power within about 25 years.

Some leaders may see short-run glamor in bombs. But as the Vietnam debacle showed a decade ago, prestige comes from a

[44] See materials cited in footnote 39.

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leader's ability to influence events, not from mere technology or troop strength. In the long run, a policy of self-denial, recognizing the near-irreversibility of a peek over the nuclear threshold, has often been a policy of shrewd self-interest. The costs of nuclear "strength"—more nervous and better-armed generals at home and abroad, more entanglement in superpower rivalries, more reluctant allies—outweigh the benefits (putative deterrence and distraction from internal problems). Bomb programs have probably always decreased their patrons' security. The first act in the worldwide nuclear arms race began, chillingly, with the misperception that a rival (Nazi Germany) was about to develop bombs. A nuclear force possessed by, say, India or Japan cannot deter neighbors' nuclear attacks (which may arrive anonymously by oxcart or fishing boat); and far from deterring first strikes by the great powers, it is an attractive nuisance inviting them.

Many developing countries are eager to avoid these costs and to advance their people's welfare by indigenous, appropriate, nonviolent energy policies. As an impressive literature attests, centrally aided decentralized action toward a soft energy path can benefit enormously from a few simple tools:

—"Classic designs" that can spread rapidly and attract local refinements, like Chinese biogas plants (nine million installed in 1972–78), New Mexican greenhouses, Indian bamboo tubewells, and Saskatchewan superinsulation. The incredibly rapid flowering of clever, accessible designs worldwide is a tribute to the most powerful known tool in the universe: four billion minds wrapping around a problem.

—Fieldworkers, extension services, wandering gossips/minstrels/cross-pollinators, staff exchanges, networking newsletters, appropriate-technology and self-help groups.

—Small-grants programs at national and regional levels. With low unit cost, low overheads, high volume, high dispersion, and willingness to take risks, these have been among the richest sources of rapid innovation. The money needed to build a single reactor, spread among a million groups and individuals, could hardly avoid dispersing a hundred thousand successes where people can see and imitate and improve them. Thousands would probably yield innovations each more important to national welfare than the initial foregone reactor.

—Reliance less on specialized technical institutions, high technologies, and credentials than on smart people, who are to be found everywhere. Technical skills and facilities are valuable but have been overrated as prerequisites. Many of the best soft tech-

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nologies can be made in any vocational high school or by a good blacksmith.

—Small-business soft-energy credit systems and marketing infrastructures analogous to farm credit systems and co-ops. An Indian family might save upwards of $3 a year in kerosene with a $10 stove, but a 30 percent annual return on capital is not compelling for people with no capital.

—Soft-path lending by national energy development banks oriented toward farming, small-business, and household needs, complementing finance (mainly in industry, and ensuring that fledgling industries buy the most energy-efficient technologies) by utilities, national fuel companies, and existing public and private banks.

—"Investment balancing tests" by international lending agencies, which now fund hard technologies generously and cheaper, softer ones penuriously.[45] The World Bank has apparently not even studied industrial energy saving—a major opportunity in many developing countries.

—Soft-technology transfer concessions, including mutual exchanges, licensing of public-sector patents for home and regional markets, and international financing of local production.

—International ad hoc advisory networks organized by biogeographical province.

—Humility by "advanced" countries: many countries they consider backward are far ahead of them, leaders on a world scale in truly advanced technologies.

Currently there are many forums for Northern nations to exchange energy views and data, none for Southern. The International Energy Agency's oil-sharing plans exclude the South. New global and regional energy and financial institutions will undoubtedly emerge, and NPT adherents, especially non-weapons states, deserve substantive preference, a strong voice, and preferably a guiding role in them. To reinforce success in energy policies that make the NPT effective, or ultimately unnecessary, countries displacing oil most effectively with inherently non-violent technologies should be entitled to special financial or oil guarantees by weapons states.

The global urgency of displacing oil and uranium—like the reconstruction urgency that gave rise to the Marshall Plan, World Bank, IMF, and OECD—offers a good case for a Fund for Renewable

[45] These simple tests allocate investment to the cheapest ways of meeting end-use needs, and can largely avoid the energy pricing problem: see Lovins in *Journal of Business Administration* and concluding address in California PUC, *loc. cit.*, footnote 24.

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Energy Enterprise (FREE), analogous to the International Fund for Agricultural Development and funded perhaps by a tax on oil sales, oil or fossil-fuel use, uranium mining, arms budgets, or megatonnage of bomb inventories. FREE would aggressively finance distribution, site testing, training, and institution-building for soft technologies (limited by charter to decentralized systems). It would complement existing institutions, work closely with appropriate non-governmental organizations, substitute broad social accounting for narrow profitability tests, take risks, be at least half-controlled by recipient states, and operate via semi-autonomous regional centers maximizing their dispersion of staff, decisions and money. As one of the many complementary mechanisms needed to address the full spectrum of developing-country energy needs at which Article IV was aimed, this concept could be explored and refined at the NPT Review Conference and at the 1981 U.N. Conference on New and Renewable Sources of Energy.

## VII

The proliferation problem has seemed insoluble primarily because vast worldwide stocks and flows of bomb materials were assumed to be permanent. Policy never looked beyond the nuclear power age because there was no beyond. But that age may be ending, with proliferation—given pragmatic planning—arrestable just short of total unmanageability.

To abandon nuclear power and its ancillary technologies does not require any government to embrace anti-nuclear sentiment or rhetoric. It can love nuclear power—provided it loves the market more. Governments need merely accept the market's verdict in good grace and design an orderly terminal phase for an unfortunate mistake. That should include the least unattractive and most permanent ways to eliminate from the biosphere (via interim internationally controlled spent-fuel storage) the hundreds of tons of bomb materials already created, and helping nuclear technologists to recycle themselves into work where their talents are more needed. Phasing out reactors by the means suggested in Sections III and V would take about a decade and reduce both political tensions and electricity prices.

While collective leadership by other countries is desirable and sufficient, the U.S. example alone would deprive other countries of the domestic political support that an exorbitantly costly bailout of their nuclear industries would require. Interdependent political illusions would quickly unravel. In a period of tight budgets and narrow electoral margins, explicit U.S. recognition

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that the market has cut short the nuclear parenthesis in favor of more effective means of oil displacement would focus the accelerating swing of public and professional opinion worldwide. To allow the nuclear industry to die without noting and politically capitalizing on its passage would be a signal failure of international leadership.

Second, as efforts to make the market more efficient hasten the recycling of nuclear resources into the soft path, the United States unilaterally, and interested states (especially nonaligned non-weapons states) multilaterally should freely, unconditionally, and nondiscriminatorily help any other country that wants to pursue a soft path—especially developing countries, on the lines suggested in the previous section. Nuclear fuel security initiatives should be turned into energy security initiatives.

Third, these efforts must be psychologically linked to the slower and more difficult problem of mutual strategic arms reduction—treating them as interlinked parts of the same problem with intertwined solutions. All bombs must be treated as equally loathsome, rather than being considered patriotic if possessed by one's own country and irresponsible if by others. A vigorous coalition of non-weapons states to this end is urgently needed. But the key missing ingredient for promoting a psychological climate of denuclearization, in which it comes to be seen as a mark of national immaturity to have or want reactors *or* bombs, is a reversal of the political example now set by the weapons states.

These combined actions may succeed only if they are taken together and explicitly linked together. Our thesis is certain to be misrepresented as "trying to stop proliferation by outlawing reactors." We have not said that. We have presented three main elements, and many sub-elements, of a coherent market-oriented program, and emphasize that they have a mutually reinforcing psychological thrust—a synergism—essential to their success. Their linkage is also pragmatic, as illustrated by the common and valid argument that if one phased out nuclear power and did nothing else instead, oil competition could worsen. Although the fight against the "vertical" nuclear arms race will be far more difficult than against the "horizontal" spread of bombs, their interlinkages with each other and with nuclear power are so inextricable that they must be pursued jointly and thought of jointly.

Nonproliferation policy addresses the increase of bombs, not their existence. If human life, and perhaps any life, is to persist on our planet, the *present* level and dispersion of bombs cannot be

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tolerated. We have no special insight into how the underlying political problems of the world can be solved, nor special optimism that they can be. Yet we place some small hope in the gathering portents of a fundamental transformation of human values such as has not been seen for centuries. As terrible global pressures—oil, a half-trillion dollars' uncollectable debts, ecological constraints, North-South and East-West tensions, the failure of the old development concepts, tyranny, poverty, the numbing weight of military spending—all converge to crush us, a greater spiritual energy that can inwardly rework human attitudes is starting to be pressed out of the cracks. In the next decade it may become a flood, profoundly extending the ways we care for the earth and for each other. No one can say if this will happen; but knowing that it might be starting to happen can alert us to grasp the lifelines of new awareness that our increasingly cornered psyches may throw out. The ego is strong, but the love of life may yet prove stronger.

Nor can we long survive if that hope proves illusory. Many nuclear physicists, in reflective moments, have wished for a magic wand that would make all nuclear fission impossible; they would wave it instantly. Yet if such a wand were waved, but if we did not also reverse the psychic premises of eons of homocentric, patriarchal culture, then the time bought might only be used to devise other ingenious ways of killing each other. The United States dropped on and around Vietnam the explosive equivalent of one Nagasaki bomb per week for seven and a half years. There are nerve gases, napalm, fuel-air explosives, submunition clusters, cruise missiles, germ warfare, now high-powered lasers. What next? Nonproliferation, however successful, can only buy time before some other holocaust unless we also come to grips with the central problems: power without purpose, tribalism, human aggression, injustice. A soft energy path would foster a social framework in which to address these problems, but it cannot solve them. Indeed, Carl-Friedrich von Weizsäcker suggests that as artillery made city walls and hence the city-state obsolete, so nuclear weapons may make both the nation-state and the institution of war obsolete—a necessity so alien that governments turn to the diversion of "deterrence" to avoid facing it.

Bernard Baruch's choice between the quick and the dead is still before us, with a new potential resolution that has every justification in rational calculations of cost, of security, of economic and political interest. But people and governments are not purely rational—as Baruch found when his 1946 plan fell victim to the

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cold war. Our ideas, or the refinements we seek, may work—if many decisions now made irrationally are brought expeditiously within the confines of the criteria which are claimed to guide them, or if political instincts rest on a wise perception of self-interest.

Need we have proliferation without nuclear power? Not if we do it right. The methodical collapse of the greatest cause and facilitator of proliferation offers, briefly, the chance to start afresh, to start to unravel the web of hypocrisy and doublethink that has stalled arms control and nonproliferation alike. Perhaps the same promotional skill that spread reactors around the world can now nurture alternatives to them and so place prohibitive political obstacles in the way of making bombs. The same ingenuity and goodwill that managed, against all odds and inconsistencies, to obtain the small measure of international nuclear agreement we have today can now, freed from commercial imperatives that have proven vacuous, find ways to divert trend before it becomes destiny.

In 1946, the Acheson-Lilienthal report proposed a technological monopoly to prevent proliferation in an inevitably nuclear-powered future: mere treaties and policing, it reasoned, would prove weaker than national rivalries, some national instabilities, and human frailties. In 1980, with nuclear power no longer inevitable or even pragmatically attractive, the same political logic leads to quite a different policy prescription. Yet as we frame our different answers to different questions, the same prescient Acheson-Lilienthal conclusions seem apposite:

> We have outlined the course of our thinking in an endeavor to find a solution to the problems thrust upon the world by the development of the atomic bomb—the problem of how to obtain security against atomic warfare, and relief from the terrible fear which can do so much to engender the very thing feared.
>
> As a result of our thinking and discussions we have concluded that it would be unrealistic to place reliance on a simple agreement among nations to outlaw the use of atomic weapons in war. We have concluded that an attempt to give body to such a system of agreements through international inspection holds no promise of adequate security.
>
> And so we have turned from mere policing and inspection by an international authority to a program of affirmative action .... This plan we believe holds hope for the solution of the problem of the atomic bomb. We are even sustained by the hope that it may contain seeds which will in time grow into that cooperation between nations which may bring an end to all war.
>
> The program we propose will undoubtedly arouse skepticism when it is first considered. It did among us, but thought and discussion have converted us.

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It may seem too idealistic. It seems time we endeavor to bring some of our expressed ideals into being.

It may seem too radical, too advanced, too much beyond human experience. All these terms apply with peculiar fitness to the atomic bomb.

In considering the plan, as inevitable doubts arise as to its acceptability, one should ask oneself "What are the alternatives?" We have, and we find no tolerable answer.

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# COMMENT AND CORRESPONDENCE

## COMMUNISM AND RUSSIA

*To the Editor:*

Aleksandr Solzhenitsyn's article, "Misconceptions about Russia Are a Threat to America," in *Foreign Affairs* (Spring 1980) is written in the acrimonious and disdainful tone of a person who desires to discredit those who think differently, myself included, rather than open a dialogue with them. I do not intend to reply in kind. My purpose is to show why I consider Mr. Solzhenitsyn's basic view of communism unsound, to give the readers of *Foreign Affairs* a clearer picture than he did of the article of mine that he criticized and the important issues involved, and, of course, to answer his criticisms.

The Marxist movement that came to be called "communism" arose in Russia early in this century under Lenin's leadership and was then called "bolshevism." Mr. Solzhenitsyn's basic view is that there is not and never was anything specifically Russian about communism; that communism and Russia do not mix, save as a cancerous tumor mixes with the body on which it lethally preys; and that the same applies to communism in relation to any other nation to which it has spread or may spread. Communism is non-national and anti-national. It is fundamentally uniform and changeless. It undergoes no serious alterations either across frontiers or over time, e.g., as between communist-ruled Russia under Lenin and under Stalin.

That being Mr. Solzhenitsyn's basic view, one can readily see why he was incensed by my article "Stalin, the Last Bolshevik." Printed in *The New York Times* on December 21, 1979, the one hundredth anniversary of Stalin's birth, it asserted that bolshevism was an inwardly diverse movement in Lenin's time and that what Stalin represented was only one current within it, albeit the current that prevailed. The article characterized Stalin's current as "Russian national bolshevism: a blend of Leninist Marxism and Russian nationalism." Given his basic position that communism and Russia do not mix, that communism and nationalism are antithetical phenomena, Mr. Solzhenitsyn cannot imagine the possibility of such a (mixed) phenomenon as "Russian national bolshevism." It would be a contradiction in terms. So, he finds it "astounding" that a scholar and student of politics like myself could persist to this day in "misunderstanding so fundamentally the phenomenon of communism," i.e., in differing so fundamentally from *his* view of it. I will explain why I differ.

Mr. Solzhenitsyn is mistaken in thinking that communism and national cultures are necessarily in all ways antithetical, and also in regarding communism as essentially uniform and changeless in nature. A large body of historical evidence exists to show: (1) that communism as an ideology, social order and form of rule, while always authoritarian within the frame of the single-party state, often assimilates, or blends in subtle ways, with various elements of national cultural tradition in countries where communist parties come to power, so that an amalgam of communism and national culture is formed; (2) that communism therefore tends to differ somewhat in character from country to country, e.g., as between Russia and Yugoslavia or Russia and China, because their national pasts differ; and (3) that communism,

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notably in the first communist-ruled country, Russia, has undergone very significant changes from period to period: from Lenin's time to Stalin's, from Stalin's to Khrushchev's, and from Khrushchev's to Brezhnev's.

For example, Mr. Solzhenitsyn's story about life in a Stalinist concentration camp, *One Day in the Life of Ivan Denisovich*, would not have been published (or its author freed from exile) in Stalin's Russia, would not be publishable in Brezhnev's Russia of today, but was published in Khrushchev's Russia in the Soviet literary journal *Novy Mir*; and the writer of that excellent work will be aware of the very great significance, and not for him alone, of this particular change in Russia's communism over time. Examples could easily be multiplied manyfold. In the West, a whole new field, "comparative communist studies," has arisen in the recent past as scholars have grasped the need to take these differences into account and to analyze their nature and causes. Mr. Solzhenitsyn's vision of a changeless internationalist communism that does not and and cannot amalgamate with elements of national cultures is simply an extreme version of a position that dominated Western studies of communism, to their detriment, at an earlier time and has been overcome slowly as more open-minded scholars in the field pondered factual evidence and its meaning.

But the issue is not between a Russian way of thinking about communism (Solzhenitsyn's) and a Western way (the newer historical, cultural and comparative approach). The idea, so unacceptable to Mr. Solzhenitsyn, that Russia and communism could and did blend to form an amalgam in Lenin's Bolshevik movement has never been better stated than it was by Nicolas Berdyaev, a thinker whose Russian national, Russian Orthodox religious, and non-communist credentials were at least as strong as his. That well-known Russian emigré opened his book, *The Origin of Russian Communism* (London: Saunders, 1937) with these true and memorable words:

> Russian Communism is difficult to understand on account of its twofold nature. On the one hand it is international and a world phenomenon; on the other hand it is national and Russian. It is particularly important for Western minds to understand the national roots of Russian Communism and the fact that it was Russian history which determined its limits and shaped its character.

Berdyaev saw that there were subtle, distinctively Russian traits in bolshevism even before it took power in 1917, such as a fierce, utterly intolerant insistence on orthodoxy (Lenin's version of Marxism), an acrimonious style of discourse that very often sought to discredit those who believed differently, and a messianic spirit that had national antecedents in old Muscovy's ideological conception of itself as the only Orthodox tsardom, the "Third Rome."

In *The Russian Idea* (London: Macmillan, 1947, p. 250), Berdyaev said further that there "took place a sharp nationalization of Soviet Russia and a return to many traditions of the Russian past. Leninism and Stalinism are not classical Marxism.... Communism is a Russian phenomenon in spite of its Marxist ideology." Were he alive and writing now, Berdyaev would very likely amend that statement to read that communism, having been transplanted to China, Yugoslavia, Hungary, etc., has tended to become in those countries, despite its Soviet Russian origin, a Chinese communist, Yugoslav communist, Hungarian communist phenomenon, etc., while still preserving some general features that differing communisms have in common (the party-state structure, for example, and allegiance to the idea of "Marxism-Leninism"

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as a guiding creed, along with significant differences in ways of interpreting what that creed means). And he would be right in taking such a view. Between his mind and Mr. Solzhenitsyn's there is no less a chasm than there is between that of a Western scholar like myself and Mr. Solzhenitsyn's. Hence we are not dealing with an issue that pits Russian against foreigner. Mr. Solzhenitsyn is in no position to lecture the American and world public on *the Russian* view of things. His is one influential Russian's view, shared by some people in his homeland and abroad, not shared by others.

My article about Stalin argued that he combined bolshevism with Russian nationalism in a very special way. The particular element of the Russian national past that he found highly relevant to the problems of the Soviet Russian present was the early tsarist and imperial tradition. He discovered in the tsarist heritage of earlier centuries—the fifteenth to the eighteenth—a model of forced national development for creating a strong military state in a hostile international encirclement. In particular, he found in the policies of Tsar Peter I, whom the nineteenth-century Russian thinker Alexander Herzen called "a revolutionary, albeit a crowned one," a Russian ruler whose example he could and did take as a model in the "revolution from above" that he led in the internationally isolated Soviet Russia of the early 1930s. He thus reshaped Soviet communism in the direction of a Soviet Russian imperial communism, in which the international communist revolution was equated with the aggrandizement of the Soviet Russian state.

When confronted with criticism by many Old Bolsheviks in the early 1930s, mainly because of the catastrophic famine that resulted from his misguided effort to drive the peasants into collectives by terror, so that the state could take possession of large amounts of grain to export for financing the forced industrialization program, Stalin reacted with fury and carried through in 1934–39 a gigantic terroristic purge of the Soviet Communist Party. In this he took as his model another, still earlier Russian ruler, Tsar Ivan IV, whose terroristic purge of *his* higher aristocracy in the sixteenth century helped cause him to go down in Russia's history as "Ivan the Terrible."

Mr. Solzhenitsyn is pained. He states: "Professor Tucker hastens to salvage socialism by suggesting that Stalin was not, after all, a *genuine* socialist! He did not act in accordance with Marxist theories, but trod in the footsteps of that wearisome pair, Ivan the Terrible from the sixteenth century and Peter the Great from the eighteenth." That statement twists and distorts the clear message of my article, which said that many people abroad "overlooked the persisting Bolshevik elements in Stalin's amalgam of bolshevism and Russian nationalism, mistaking him for a national leader whose obeisances to socialism and Marxism were ideological verbiage. Stalin never forsook socialism and Marxism in his understanding of them: socialism was the state-dominated system of society being formed in his revolution from above; Marxism was the doctrine that sanctified such a system as socialist."

As for the "wearisome pair," Mr. Solzhenitsyn is free to be wearied by whatever wearies him, but the question is whether Stalin in fact chose to emulate the action patterns of those two Russian rulers (in his understanding of them). If he did—and I have sought to adduce evidence on this in various published writings and a further book yet to appear—then no one has a right to deny the historical significance of Stalin's attitude toward those tsars on the ground of the theme's tiresomeness.

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As if recognizing this, Mr. Solzhenitsyn steps back and asks, "Just what 'model' could Stalin have seen in the former, tsarist Russia, as Tucker has it? Camps there were none; the very concept was unknown." Before commenting on this inaccuracy, I must point out that the question of Stalin's revival of tsarist patterns and practices cannot be reduced to the matter of camps, nor can the tsarist political tradition be equated—as Mr. Solzhenitsyn proceeds to do in his article—with the relatively liberalized tsarist state system of the old regime's final period. The tsarist patterns that Stalin found worthy of emulation in his policies lay more in the distant Russian past. One such pattern was serfdom, the attachment of the peasant to the land, and, associated with it, *barshchina* (the *corvée*); these were resurrected, save in name, in the Stalinist "collective farm" and the legislation of the latter 1930s concerning its operative procedures. Another pattern was the system of ranks, uniforms and insignia for state officials that Stalin recreated on the model of the one established by Tsar Peter with his "Table of Ranks."

Despite his preference for precedents from "progressive" (as they were officially called in Stalin's Russia) tsars like Ivan III in the fifteenth century, who forged the centralized Great Russian state system, Ivan IV in the sixteenth and Peter I in the eighteenth, Stalin was not above taking a few leaves from books of very late tsars. In 1932, in order to control the places of residence and movements of people in Soviet Russia, he resurrected the internal passport system that had existed in tsarist Russia right up to 1917 and been abolished by the revolution. In 1934, he established in his internal affairs commissariat a "special board" with a composition and powers (of administrative exile for up to five years of elements deemed dangerous by the authorities) that reproduced those of the "special board" set up in the tsarist internal affairs ministry following the assassination of Tsar Alexander II in 1881. Stalin was personally well acquainted with the earlier "special board," having repeatedly been sent away by its order in his years as a revolutionary. The ease with which he made his several escapes may have inspired the measures he took to tighten the penal system while expanding it enormously.

Now as to camps. Forced-labor camps of the kind that mushroomed in Soviet Russia from 1929 onward had no comparable counterpart in tsarist Russia. But Mr. Solzhenitsyn, who has found their beginnings in the concentration camps that were set up on Lenin's authority in 1918 as the Russian civil war began, to imprison opponents of the Bolshevik regime and not for forced labor, needs to pursue his historical research further. When he does, he will find that governmental use of forced labor existed in tsarist Russia, notably under the rule of tiresome Tsar Peter, who not only attached whole serf villages to newly built Russian war factories but brought together prisoners of war, civilians from occupied territories, and state-owned serfs in what a noted economic historian of Anglo-Russian upbringing and wide Russian experience, Leonard Hubbard, called "'Peter's forced-labor camps" for canal construction and the like.[1] Forced labor was also used in the building of Peter's new capital on northern marshland, and "camp" might possibly be a fair description of the conditions in which the forced laborers were housed—if they were.

But Mr. Solzhenitsyn need not look so far into the past to find a tsarist pedigree for the Soviet forced-labor camps. He need only consult the record

[1] Leonard Hubbard, *The Economics of Soviet Agriculture*, London: Macmillan, 1939, p. 19.

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of a journey taken in 1885–86, from the Urals eastward and back, by George Kennan, an uncle of our contemporary, George Frost Kennan, on whose distinguished career as an interpreter of Soviet Russia to America Mr. Solzhenitsyn has unwarrantedly cast aspersion in the same *Foreign Affairs* essay. Admittedly, the very fact that Kennan was allowed to take that trip and observe convict laborers at work is a point in favor of the state system in late tsarist Russia compared with that in Soviet Russia. He devoted a long chapter of his meticulous record of observations to the conditions he witnessed in the convict gold mines of Eastern Siberia. They belonged to the tsar and brought him an annual yield of 3,600 pounds of pure gold in return for an outlay of 500,000 rubles, or about $250,000, for maintaining the penal mining establishment. A representative passage from Kennan's subsequently published account of his journey is worth quoting:

> On one side of an open square, around which stood the prison and the barracks, forty or fifty convicts in long gray overcoats with yellow diamonds on their backs were at work upon a new log building, surrounded by a cordon of Cossacks in sheepskin *shubas*, felt boots, and muff-shaped fur caps, who stood motionless at their posts, leaning upon their Berdan rifles and watching the prisoners.[2]

A small-scale affair, as was the whole convict-labor gold-mining operation in Eastern Siberia, by comparison with the vast forced-labor empire built in Stalin's time; and those gray overcoats were doubtless much better protection against the cold than the miserable garments issued to convict laborers in Soviet Russia. Otherwise, however, the scene bears some resemblance to scenes that have been graphically described by Mr. Solzhenitsyn in his book, *The Gulag Archipelago.* The real point, moreover, is that the forced-labor system in Soviet Russia had antecedents, and thus precedents, in tsarist Russia.

Mr. Solzhenitsyn writes that modesty prevents him from asking me to read at least the first volume of *The Gulag Archipelago*, and better still all three. Modesty does not prevent me from revealing that I have read all three. I have learned much from them about experiences in the Soviet camps, adding to all I previously learned from other valuable works on this subject. What surprises me is that Mr. Solzhenitsyn seems to believe that Western scholarship had neglected or even hushed up this subject prior to the appearance of his opus. This is, quite simply, inaccurate. Here are the titles of two most carefully researched and richly informative volumes familiar to all serious scholars in Soviet studies: David J. Dallin and Boris I. Nicolaevsky, *Forced Labor in Soviet Russia* (New Haven: Yale University Press, 1947), and S. Swianiewicz, *Forced Labour and Economic Development: An Enquiry into the Experience of Soviet Industrialization* (London: Oxford University Press, 1965). To them must be added numerous highly informative firsthand accounts, such as Elinor Lipper's *Eleven Years in Soviet Prison Camps* (Chicago: Henry Regnery Co., 1951) and Jerzy Gliksman's *Tell the West: An Account of His Experiences as a Slave Laborer in the Union of Soviet Socialist Republics* (New York: Gresham Press, 1948), to mention only two outstanding examples among the far larger number that might be given.

There is a further problem. For all the mass of important testimony that it

[2] George Kennan, *Siberia and the Exile System* (abridged), Chicago: University of Chicago Press, 1958, p. 171.

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contains, *The Gulag Archipelago* does a disservice to historical understanding by compressing the factual material into the author's simplistic, straight-line scheme of Soviet development, a scheme that treats all the horrors of the Stalin era as the logical and necessary unfolding of what was embryonic in Lenin's communism from the start. From this standpoint, there *was* no distinct Stalin era, and the very word "Stalinism" is taboo. In the portion of his *Foreign Affairs* essay devoted to my article, Mr. Solzhenitsyn makes that conclusion quite explicit: "No 'Stalinism' has ever existed, either in theory or in practice; there was never any such phenomenon or any such era. This concept was invented after 1956 by intellectuals of the European Left as a way of salvaging the 'ideals' of communism." And further: "In the Soviet Union it used to be said with good reason that 'Stalin is Lenin today'. . . ."

It used to be Stalin who wanted people to say and believe that, believed it himself, and never allowed the term "Stalinism" to be introduced into Soviet official usage. It is ironic, and ultimately sad, that the ex-Soviet Russian Army officer who was started on his long trek through Gulag in 1945 because of an incautious critical allusion to Stalin in a private letter to a friend, and who must have known then that Stalin was hardly "Lenin today," should wind up now, in conditions of freedom 35 years after, repeating as solemn truth what the infinitely arrogant, self-adulating Stalin thought of himself.

Because he grew up in ignorance of many important developments owing to Soviet censorship practices, Mr. Solzhenitsyn may be forgiven for not knowing that the concept "Stalinism" was developed not by European intellectuals circa 1956 but by Bolshevik oppositionists of the late 1920s and early 1930s. That is a side issue, as is the question whether we really require the term "Stalinism" for the era of Soviet history over which Stalin presided and the distinctive sociopolitical formation that he fathered—or, as I prefer, "Russian national bolshevism." The real and vital issue is whether, as I believe and believe historical evidence bears out, there was such an era and such a formation, or whether, as Mr. Solzhenitsyn believes, there was not.

This is not, as it might seem, an argument over history alone. It affects our way of understanding trends and events in today's Soviet Russia. If Stalin's current in the Soviet communist movement was one that blended bolshevism with Russian nationalism, then we will not—like Mr. Solzhenitsyn—be blind to the possibility that a most malignant form of extreme Russian nationalism may be germinating, or fully germinated, in certain Soviet circles of our time. That would be an expectable part of Stalin's legacy, a form of Russian chauvinism with only the thinnest veneer of bolshevism left on it, if that. We would see the invasion and brutal military occupation of Afghanistan as the act of Soviet Russian imperialism that it appears to have been—again, in keeping with Stalin's legacy to Soviet Russia as a leader who combined bolshevism with the imperial Russian tradition and thereby fashioned a system and a foreign policy embodying the worst features of both.

On one point, Mr. Solzhenitsyn and I are in complete agreement: misconceptions about Russia are dangerous. Unfortunately, his own mind, as manifested in his article for *Foreign Affairs*, is far from free of them.

ROBERT C. TUCKER
*Princeton University*
*Princeton, N.J.*

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*To the Editor:*

I am too insignificant a citizen to presume to write to you for publication. I do venture to think, however, that as a subscriber, as an assiduous reader, and as a warm admirer of *Foreign Affairs*, I may express to its editor my dismay that no less than 37 pages are given to Mr. Solzhenitsyn for what is, essentially, a disparaging and abusive tirade against the American people. We are treated as benighted blunderers, bumblers and ignorants, ill informed by incompetent diplomats and unobservant foreign correspondents, and—to top it all—as biased in favor of communism. If this were not enough, he is also guilty of a most transparent attempt to sow disunity among various groups of our people.

As a not universally welcome guest of these selfsame ill-informed Americans, he lectures us as he would a bunch of errant children (or worse), and is unsparingly abusive of our political actions and of our political thinking. Yet he, himself, is so arrogantly biased that he absolves nineteenth-century Russia of any crime of violence, repression or persecution. Has he never heard of pogroms or just doesn't he care? And what of the oh-so-pacific and benign expansionism of nineteenth-century tsarist Russia!

*Foreign Affairs* rightly offers the hospitality of its pages to all viewpoints, but when a foreign guest writes as patronizingly and one-sidedly as Mr. Solzhenitsyn, some words of instant rebuttal seem a much needed response to his bad manners. This is particularly true when a man of acknowledged literary stature, a Nobel laureate at that, steps off his pedestal to berate his hosts.

I know that this letter of mine is not a rebuttal in any sense of the word. It is merely the angry, off-the-cuff reaction of a reader who had sincerely hoped that the Harvard speech was enough abuse for us to swallow from this most unappreciative visitor.

Silvio J. Treves
*New York, N.Y.*

## FREEDOM HOUSE

*To the Editor:*

David Ottaway, in his review of Africa in *America and the World 1979*, included three statements about Freedom House. All three are wrong.

1. There is no "Freedom House Foundation," as Ottaway calls us.
2. After monitoring the April 1979 elections in Rhodesia we did *not* say the voting was "free and fair," as Ottaway states we did. We faulted the intimidation of voters by both government and guerrilla forces. Yet, we said, the country had never had so inclusive and free an election, and it was freer than most in developing countries.
3. We are not, as Ottaway labels us, "conservatively oriented." In our year-round survey of freedom in every country we employ universal criteria to determine the level of political rights and civil liberties. We report with *equal* disfavor authoritarian acts and trends in political systems of rightist and leftist coloration.

Five years before it was chic to attack Pol Pot, we called him an abomination. We attacked Thieu's censorship and authoritarianism in Vietnam, but we found him far more humane than the totalitarians in Hanoi. Such choices among evils are not easily made or, it seems, understood by rapid readers.

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We warned, for example, that Salvador Allende's Marxist-Leninist objectives were leading Chile toward authoritarianism, yet until the day he died we called his country "free." His rightist successor, in our view, is authoritarian. Does that make us "radical-liberal"?

We were formed 39 years ago to mobilize American opinion against the Nazis and fascists in Europe. Did that make us communist? Did our early anti-Stalinism make us "conservative"? Yes, in the eyes of those who saw Stalin and Mao as agrarian reformers. Now most Americans know that millions were killed at both their hands.

We were among the first to attack publicly Joseph McCarthy. Did that make us "pro-communist"? He thought so. At the same time we continued to oppose Marxist-Leninists and those who were fooled by them into believing that McCarthy was the *only* threat. By calling an organization like Freedom House "communist" or "rightist" one devalues the role of the classic liberal who decries the evil at both extremes, and favors evolutionary movement toward broader freedoms.

We are indeed conservators of freedom. If we must be labeled we like "neo-liberal." But that demands another exercise in definitions.

LEONARD R. SUSSMAN
*Executive Director*
*Freedom House*
*New York, N.Y.*

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ERRATA

*Spring 1980*

1. On page 830 of Mr. Aleksandr Solzhenitsyn's article, "Misconceptions about Russia Are a Threat to America," the author wished to cite Poland as well as Israel as a country where religion contributes to the spiritual life of the nation (although not as a nation where the state does not persecute religion). Accordingly, the text on line 3–7 of that page should be revised to read:

> What I do believe is that the state should not persecute religion. Furthermore, religion should make an appropriate contribution to the spiritual life of the nation; such a situation obtains in Israel and in Poland, for example, and no one condemns it. I cannot understand why the same thing should be forbidden to Russia. . . .

2. On page 839 of Mr. David Andelman's "Yugoslavia: The Delicate Balance," the figures in lines 18 and 19 represent household income per month, rather than per year as stated in the text.

*America and the World 1979*

In the Chronology, at page 749, an item reports that on January 8, 1979 Poland had decided to freeze its defense budget, despite Soviet requests that it be increased. The news article on which this item was based turns out to have been erroneous: the Polish defense budget was in fact increased by five percent, exactly in line with the actions of other Warsaw Pact members.

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# RECENT BOOKS ON INTERNATIONAL RELATIONS

*Edited by Lucy Edwards Despard*

## *General: Political and Legal*

*John C. Campbell*

HUMAN RIGHTS AND WORLD PUBLIC ORDER. By Myres S. McDougal, Harold D. Lasswell and Lung-chu Chen. New Haven: Yale University Press, 1980, 1015 pp. $45.00.

There is enough background on human rights in these pages to replace a dozen recent books on the subject, but the distinguished authors are true to form in going far beyond a history or compendium to lay out the outlines of a world order of respect for human dignity, for which there already is "a global constitutive process" of decision. The argument is general, not dwelling on the state of human rights in individual countries (e.g., the Soviet Union) or how the law of global community may make itself felt there. But the authors make a powerful case, and if they are ahead of their time, that is to their credit.

THE MORAL IMPERATIVES OF HUMAN RIGHTS: A WORLD SURVEY. Edited by Kenneth W. Thompson. Washington: University Press of America, 1980, 254 pp. $16.25 (Paper, $8.75).

This is the kind of informed and factual survey of the state of human rights in various parts of the world, together with a weighing of the political and moral problems involved, that should have been thoroughly digested by those embarking on a "human rights foreign policy" in recent years.

RUSSIA AND WORLD ORDER. By George Liska. Baltimore: Johns Hopkins University Press, 1980, 194 pp. $14.50.

George Liska, a philosopher of international relations and an artist with words and logic, has written an original and demanding book; the reader should be forearmed with a knowledge of his earlier writings and a willingness to stop, to think, and perhaps to disagree, at many points along the way. It is not really a book about Russia, but rather about the author's concepts of the laws of "political physics" and of future-oriented historical vision which, together with existing psycho-cultural dispositions, affect both Russia and the West and should provide the philosophical basis for grand strategy.

MANAGING GLOBAL PROBLEMS. By C. Maxwell Stanley. Iowa City:

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University of Iowa (for the Stanley Foundation), 1979, 270 pp. $12.50 (Paper, $7.50).

Maxwell Stanley, a business executive with a sense of mission, has long been active in trying to mobilize people and governments behind an effective strategy for peace. Here he presents his own proposals for innovative leadership and procedures, some impractical, some well worth consideration.

KONTSEPTSII REVOLIUTSII V RAZVIVAIUSHCHIKHSIA STRANAKH. By A. Z. Azarkh and others. Moscow: Nauka, 1979, 110 pp. Kop. 75.

A brief analysis and critique, mainly for Soviet readers, of non-Marxist thinking on revolution in Asia, Africa and Latin America. Most of it is based on Western writings, with comparatively little attention to the thoughts of those in the developing countries themselves.

BREAD UPON THE WATERS: THE DEVELOPING LAW OF THE SEA. By Charles Fincham and William van Rensburg. Jerusalem: Turtledove, 1980, 249 pp. (Forest Grove, Ore.: ISBS, distributor, $22.00).

The U.N. Law of the Sea conference is generating treatises more rapidly than it can produce a treaty. Two South African officials, who participated in the negotiations, perform a useful service in laying out, for specialist and layman alike, complex issues in brief and comprehensible language.

## *General: Military, Technological, and Scientific*

*Andrew J. Pierre*

AFTER AFGHANISTAN—THE LONG HAUL: SAFEGUARDING SECURITY AND INDEPENDENCE IN THE THIRD WORLD. Harlan Cleveland and Andrew J. Goodpaster, Cochairmen, the Atlantic Council's Working Group on Security Affairs. Boulder (Colo.): Westview Press, 1980, 71 pp.

Afghanistan and Iran have underlined the clear necessity of a coordinated Western approach to conflicts in the Third World. Yet the Western nations have hardly begun to hammer out an effective response, and have no existing means of orchestrating foreign policy consultation on Third World developments and contingency politico-military planning. Because the geographical limits set by the NATO treaty are often cited as an impediment to such planning, this timely study by the Atlantic Council is of considerable significance. Although it usefully states the need for a common Western approach, much more thought still needs to be given to how it could be implemented.

ASIAN SECURITY IN THE 1980s: PROBLEMS AND POLICIES FOR A TIME OF TRANSITION. Edited by Richard H. Solomon. Santa Monica (Cal.): Rand, 1979, 305 pp.

The most critical aspects of Asian security are authoritatively treated in this excellent symposium. The emphasis is on American defense planning in the context of the Sino-Soviet conflict, the Soviet military presence in Asia, changing Japanese security perspectives, and the outlook in Korea, Vietnam and Indonesia. These papers were first presented to a Rand conference in January 1979, attended by U.S. officials as well as Asians, and reflect the concerns of that time. A summary of the conference discussions is included and is quite valuable.

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ASIAN SECURITY 1979. Tokyo: Research Institute for Peace and Security, 1979, 223 pp.

Students of international security who have come to value the annual publication of *Strategic Survey* by the International Institute for Strategic Studies will welcome the appearance of *Asian Security 1979.* It is closely modeled on the IISS publication, has been prepared with the assistance of Kenneth Hunt, and will appear annually. In presentation and analysis it is of high quality.

AMERICA AND THE THIRD WORLD: REVOLUTION AND INTERVENTION. By John L.S. Girling. Boston: Routledge & Kegan Paul, 1980, 276 pp. $25.00.

A discursive, somewhat theoretical but stimulating study of the "global involvement" of the United States. The author sees no necessary divergence between the interests of Third World countries and the United States, but he acknowledges the need for occasional superpower intervention to maintain stability in the international system.

STRATEGIC IMPLICATIONS OF THE ALL-VOLUNTEER FORCE: THE CONVENTIONAL DEFENSE OF CENTRAL EUROPE. By Kenneth J. Coffey. Chapel Hill: University of North Carolina Press, 1980, 210 pp. $15.00 (Paper, $9.00).

An informal and balanced analysis of the American military's primary problem—manpower. Coffey's assumption that the draft cannot be restored is questionable, but his discussion of alternative measures to remedy the weakness of U.S. conventional forces is exemplary. Stress is placed upon the necessity of having adequate forces for the defense of Central Europe, as has been the concern in the defense establishment in recent years. In the 1980s, however, more attention will need to be paid to Third World contingencies.

SOVIET MILITARY STRATEGY IN EUROPE. By Joseph D. Douglass, Jr. Elmsford (N.Y.): Pergamon Press, 1980, 238 pp. $30.00

This study is heavily based upon the large body of Soviet military literature. The author traces a long-term trend in Soviet and Warsaw Pact capabilities toward an "effective, usable, preemptive offensive nuclear war-fighting capability."

AMERICAN SECURITY POLICY AND POLICY-MAKING. Edited by Robert Harkavy and Edward A. Kolodziej. Lexington (Mass.): Lexington Books, 1980, 266 pp. $25.95.

This collection of essays, which will be of primary interest to academics, is above par in offering intelligent and imaginative analyses. It deals essentially with strategic concepts and arms control, rather than security policy as a whole.

ROLLING THUNDER: UNDERSTANDING POLICY AND PROGRAM FAILURE. By James Clay Thompson. Chapel Hill: University of North Carolina Press, 1980, 185 pp. $14.00 (Paper, $6.50).

The title was the military code given to the sustained bombing program against North Vietnam between February 1965 and March 1968. The author, who was in the Defense Department at the time, takes as his subject the Washington organization rather than the field operations. He concludes that senior officials failed to understand their own system of information and

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decision-making, and also that there was a failure in strategic thinking about the impact of air power on a revolutionary war situation.

STRATEGIC THOUGHT IN THE NUCLEAR AGE. Edited by Laurence Martin. Baltimore: Johns Hopkins University Press, 1980, 233 pp. $18.50.

What distinguishes this volume of broad-ranging essays on various aspects of strategy and defense is that it represents the mature, succinctly stated reflections of a recognized group of experts including Klaus Knorr, Robert Osgood, François Duchêne, Henry Rowen, Coral Bell and Laurence Martin, the editor. Of interest to both students and specialists.

NUCLEAR ENERGY AND NUCLEAR PROLIFERATION: JAPANESE AND AMERICAN VIEWS. By Ryukichi Imai and Henry S. Rowen. Boulder (Colo.): Westview Press, 1980, 194 pp. $16.50.

Nuclear nonproliferation policy has been among the most difficult and sensitive of bilateral issues in America's foreign relations in recent years. Differences of views between Japan and the United States were heightened by the completion of a pilot reprocessing plant at Tokai-Mura, and threatened to undermine the fabric of the U.S.-Japanese relationship. This work analyzes the complex issues on both sides without papering over the many areas of disagreement. It is a model of its kind, which could be usefully followed in other sensitive bilateral cases.

WELFARE IN A FRAGILE WORLD: MILITARY IMPACT ON THE HUMAN ENVIRONMENT. By the Stockholm International Peace Research Institute. London: Taylor & Francis, 1980, 249 pp. (New York: Crane, Russak, distributors, $27.50).

This is the third of a series of books from SIPRI on the environmental effects of warfare. Attention is given to the deliberate use of environmental modification for military purposes, with separate chapters on tropical, temperate, desert, arctic and ocean regions.

THE COMPUTERIZATION OF SOCIETY: A REPORT TO THE PRESIDENT OF FRANCE. By Simon Nora and Alain Minc. Cambridge: MIT Press, 1980, 186 pp. $12.50.

This is a translation of a 1978 report commissioned by Giscard d'Estaing on the way computers may influence French society, with particular emphasis on telecommunications. It raises both practical and philosophical problems, and suggests a French national plan. As is to be expected, there are many contrasts with the larger and looser American way of doing things in this domain.

SCIENCE AND FUTURE CHOICE. VOL. I: BUILDING ON SCIENTIFIC ACHIEVEMENT. VOL. II: TECHNOLOGICAL CHALLENGES FOR SOCIAL CHANGE. Edited by Philip W. Hemily and M. N. Ozdas. New York: Oxford University Press, 1980, 2 vols. $29.00 & $36.00.

A series of essays on the occasion of the twentieth anniversary of the Science Committee of NATO. Written by established leaders in their respective fields, some of the essays review the achievements of two decades in the basic sciences; others look at the future, with particular emphasis on the interaction of scientific progress and the needs of society. Harvey Brooks and Eugene Skolnikoff contribute a commendable chapter on science, technology and

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international relations, which has interesting things to say on the transfer of technology and the global distribution of research and development.

*General: Economic and Social*

*William Diebold, Jr.*

THE ZERO-SUM SOCIETY. By Lester C. Thurow. New York: Basic Books, 1980, 230 pp. $12.95.

Productivity, energy, inflation, the environment, slow growth and government regulation are all subjected to fresh looks and shown to involve difficult questions of distribution. The difficulties become impossibilities if the zero-sum concept is applied to shares (and not just absolutes) in the light of the U.S. government's "inability to impose large economic losses explicitly" on any substantial group. Many views that are widely held in business and public opinion are demolished by a kind of documented iconoclasm that helps make this well-written book very stimulating.

STRUCTURAL CHANGE AND DEVELOPMENT POLICY. By Hollis Chenery. New York: Oxford University Press (for the World Bank), 1980, 526 pp. $14.50 (Paper, $5.95).

This important book digs deeply into the experience of the past few years to improve our understanding of economic development. Professor Chenery, a leading scholar in the field with much practical experience, analyzes differences among countries in types of development, resources, size and the timing of structural changes along with the effects of government policies, foreign trade and finance. He looks for general conclusions about significant similarities and differences. The empirical evidence is used in an initial effort to remedy some of the deficiencies of classical and contemporary theories of development. Methods of analysis and measurement have to be given much attention in a pioneering work of this sort, so the general reader may wish to confine himself to more general passages. But for economists this is an essential book.

MAKING FOREIGN ECONOMIC POLICY. By I. M. Destler. Washington: Brookings, 1980, 244 pp. $11.95 (Paper, $4.95).

Excellent and concise studies of a series of U.S. governmental actions on food and trade since 1972 make up the bulk of this book. Valuable in themselves, they are used to show the difficulty of balancing domestic and foreign, economic and political factors in shaping foreign economic policy and the resulting organizational conundrums. An expert in these matters, Mr. Destler makes precise recommendations for White House coordination, but he knows as well as anyone that whether they will work depends upon who works them.

MARXISM: FOR AND AGAINST. By Robert L. Heilbroner. New York: Norton, 1980, 186 pp. $9.95.

A country in which the intellectual traditions of Marxism are weak and where its friends and enemies alike abuse terms and ideas is fortunate to have one of its finest expositors of ideas tackle the subject—even if he has to struggle sometimes and the book is more a debate than a primer. Readers are not required to arrive at the same balance of considerations "for and against" as

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Heilbroner (quite favorable to Marxism on the analytical side, very doubtful on the prescriptive) to get a great deal out of this lively study.

THE LEAN YEARS: POLITICS IN THE AGE OF SCARCITY. By Richard J. Barnet. New York: Simon and Schuster, 1980, 349 pp. $12.95.

How can the world avoid running short of energy, food, minerals and water? Will the struggle to control resources make life more dangerous and inequitable, or can we reverse the process? These are serious questions on which this book throws some light. Unfortunately, the analysis is not very rigorous and the conclusions concerning the reordering of the world are stated more than proved.

COAL—BRIDGE TO THE FUTURE. Report of the World Coal Study (WOCOL), directed by Carroll L. Wilson. Cambridge: Ballinger, 1980, 247 pp.

Putting figures to the proposition that there is a great deal of coal in the world (and above all the U.S.) that can be produced at reasonable prices if big enough investments are made, this study concludes, with "cautious optimism," that if the right steps are taken (often well before the coal is needed) a tripling of coal consumption can be the bridge to a future when new sources of energy take over. The conviction of the people from 16 countries who collaborated in this work that this can be done without unacceptable damage to the environment depends on assumptions about differences in national standards and unpredictable tradeoffs.

MIDDLE EAST INDUSTRIALISATION: A STUDY OF SAUDI AND IRANIAN DOWNSTREAM INVESTMENTS. By Louis Turner and James Bedore. New York: Praeger (for the Royal Institute of International Affairs), 1979, 219 pp.

This first-rate study sponsored by the Royal Institute of International Affairs in London goes beyond its subtitle. Plans and prospects for the production of petrochemicals in Saudi Arabia and Iran are the starting place, but a major emphasis is on the resulting problems of adjustment in the older producing centers, especially in Western Europe. Some of the detail has become irrelevant or misleading, but the analysis of the strengths and weaknesses of the new producers and the multinationals, and the policy issues that have to be faced by the OECD, will continue to be helpful in understanding what are likely to be very troublesome problems.

YELLOWCAKE: THE INTERNATIONAL URANIUM CARTEL. By June H. Taylor and Michael D. Yokell. Elmsford (N.Y.): Pergamon Press, 1979, 245 pp. $17.50.

The most valuable part of this study is the detailed account, based on documents produced in court, of how the uranium cartel of the mid-1970s worked. Judging the results is more difficult, partly because the story is not yet ended.

ECONOMIC INTERACTION IN THE PACIFIC BASIN. Edited by Lawrence B. Krause and Sueo Sekiguchi. Washington: Brookings, 1980, 269 pp. $14.95 (Paper, $5.95).

Vague and conflicting ideas about regional cooperation are swirling around the intense economic activity in the Pacific. Thus, this solid analytical book is very timely. It looks closely at the recent history and policies of six countries,

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stressing their impact on one another and their separate responses to the disturbances of the 1970s. Explicit and rather strong policy recommendations are set out on many points. The authors support the idea of a consultative organization to improve communication and the coordination of national measures.

WESTERN ECONOMIES IN TRANSITION. Edited by Irving Leveson and Jimmy W. Wheeler. Boulder (Col.): Westview Press (for the Hudson Institute), 1980, 438 pp. $29.50.

At least three signs of the times are embodied in this volume: (1) several departments of the U.S. government supported the Hudson Institute's conference because of growing concern about the resistances in the old industrial centers to changes in the world economy; (2) the authors, from a number of countries, disagree as to the criteria that determine what is "structural"; (3) there is much condemnation of government intervention in economic processes but few persuasive demonstrations that constructive adjustment will take place without it.

POLICIES FOR INDUSTRIAL PROGRESS IN DEVELOPING COUNTRIES. Edited by John Cody, Helen Hughes and David Wall. New York: Oxford University Press (for the World Bank), 1980, 316 pp. $16.95 (Paper, $5.95).

Twelve economists from half as many countries provide an extremely thorough survey of basic policies on all the key issues.

A NEW INTERNATIONAL COMMODITY REGIME. Edited by Geoffrey Goodwin and James Mayall. New York: St. Martin's, 1980, 237 pp. $25.00.
COMMODITIES, FINANCE AND TRADE: ISSUES IN NORTH SOUTH NEGOTIATIONS. Edited by Arjun Sengupta. Westport (Conn.): Greenwood Press, 1980, 407 pp. $28.50.

There is a plethora of conferences on the North-South issues, and some of them elicit good work, as these two volumes show. Goodwin and Mayall ran a seminar at the London School of Economics and then a conference for which papers on a variety of commodity issues were written. Realistic negotiating possibilities on the same subjects, plus trade and finance more generally, were the focus of the Oxford conference covered by Sengupta's volume.

THE NEW INTERNATIONAL ECONOMIC ORDER: A U.S. RESPONSE. Edited by David B. H. Denoon. New York: New York University Press (for UNA-USA), 1979, 346 pp. $20.00.

Trade, adjustment, commodities and finance are dealt with in very solid analyses leading to policy proposals.

DEBT AND THE LESS DEVELOPED COUNTRIES. Edited by Jonathan David Aronson. Boulder (Colo.): Westview Press, 1979, 359 pp. $24.50.

As the LDC debt issue again comes into public view, these papers that deal partly with long-term aspects, and partly with the experience earlier in the 1970s, prove quite pertinent.

PATTERNS OF JAPANESE ECONOMIC DEVELOPMENT: A QUANTITATIVE APPRAISAL. Edited by Kazushi Ohkawa and Miyohei Shinohara with Larry Meissner. New Haven: Yale University Press, 1979, 411 pp. $30.00.

A valuable collection of data and comments on their significance.

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*The United States*

*Gaddis Smith*

THE NATIONAL INTEREST AND THE HUMAN INTEREST: AN ANALYSIS OF U.S. FOREIGN POLICY. By Robert Johansen. Princeton: Princeton University Press, 1980, 511 pp. $32.50 (Paper, $6.95).

A book of major importance. Johansen moves far beyond pious platitudes in a rigorous analysis of the contrast between professed and implicit values in foreign policy. His call for "global humanism" is supported by persuasive practical and ethical argument and by four superb case studies of U.S. action in regard to strategic arms limitation, human rights in Chile, aid to India, and marine pollution.

THE UNITED STATES IN THE 1980s. Edited by Peter Duignan and Alvin Rabushka. Stanford: Hoover Press, 1980, 868 pp. $20.00.

This huge volume could well be subtitled "Position Papers for a Conservative President." The essays on domestic affairs decry the bumbling of the federal government and call for the reduction and elimination of many long-established programs in favor of reliance on private enterprise and the price system. The essays on defense and foreign policy call for a new recognition of the menace of the U.S.S.R., greater defense spending, more and better nuclear weapons, and a rebirth of the CIA, *inter alia.* There are 32 contributors, including Milton Friedman, Alan Greenspan, Fred Charles Iklé, Ray S. Cline and Edward Teller.

SETTING NATIONAL PRIORITIES: AGENDA FOR THE 1980s. Edited by Joseph A. Pechman. Washington: Brookings, 1980, 564 pp. $18.95 (Paper, $8.95).

For ten years the Brookings Institution has issued an annual analysis and critique of the President's budget proposals. This year's volume is more ambitious. Sixteen essays, equally divided between domestic and international issues, confront the coming decade. The tone and recommendations are balanced and moderately hopeful. The underlying admonition is to reform institutions rather than bewail the shortcomings of individuals.

THE ULTIMATE TYRANNY: THE MAJORITY OVER THE MAJORITY. By Eugene J. McCarthy. New York: Harcourt Brace Jovanovich, 1980, 229 pp. $12.95.

In spare, unemotional Jeffersonian style, Eugene McCarthy criticizes laws and practices which exclude third parties and independents from the political process, overzealousness about amending the Constitution, the press for its self-righteousness, and the bureaucracy for its meddling ways.

THE CIA AND THE AMERICAN ETHIC: AN UNFINISHED DEBATE. By Ernest W. Lefever and Roy Godson. Washington: Ethics and Public Policy Center, 1980, 161 pp. $9.50 (Paper, $5.00).

This is a vigorous counterattack, part of a fashionable new wave, against critics of the CIA. The authors argue (and who will disagree?) the need to reestablish the CIA's ability to gather foreign intelligence. They are less interested in discussing the ethical issues involved in covert interference in the affairs of other nations.

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GIFTS OF DECEIT: SUN MYUNG MOON, TONGSUN PARK, AND THE KOREAN SCANDAL. By Robert Boettcher. New York: Holt, Rinehart and Winston, 1980, 402 pp. $14.95.

The staff director of the congressional "Koreagate" hearings presents the interconnections of the Korean CIA and government, the self-aggrandizing influence peddler Tongsun Park, and the Reverend Sun Myung Moon. The author argues that Moon and his enterprises are a serious menace.

AMONG FRIENDS: PERSONAL LETTERS OF DEAN ACHESON. Edited by David S. McLellan and David C. Acheson. New York: Dodd, Mead; 1980, 350 pp. $17.95.

Acheson at his best: lighthearted but never foolish, unsparing of the incompetent but never vindictive. Three-quarters of the letters were written after 1953. They provide both entertainment and insight into important events, e.g., Acheson's reasons in March 1968 for advocating American disengagement from Vietnam.

CHANCES OF A LIFETIME: A MEMOIR. By Eleanor Lansing Dulles. Englewood Cliffs (N.J.): Prentice-Hall, 1980, 390 pp. $14.95.

The unadorned and understated autobiography of a courageous, self-reliant woman, the sister of John Foster and Allen Dulles. The author, now 85, spent two decades in the State Department where she dealt primarily with German affairs and headed the Berlin desk in the 1950s. There is a chapter on "Sex Discrimination in the State Department."

THE CRISIS IN AMERICAN DIPLOMACY: SHOTS ACROSS THE BOW OF THE STATE DEPARTMENT. By Smith Simpson. North Quincy (Mass.): Christopher, 1980, 336 pp. $8.95.

Twenty informed essays, written between 1955 and 1979, by a longtime Foreign Service officer. Simpson deplores the inadequate education of U.S. diplomats and calls for more effective administration of the Department of State. He concentrates on people, forms and techniques rather than on policy.

CONGRESS AND ISRAEL: FOREIGN AID DECISION-MAKING IN THE HOUSE OF REPRESENTATIVES, 1969–1976. By Martin C. Feuerwerger. Westport (Conn.): Greenwood Press, 1979, 235 pp. $23.95.

This detailed examination of the impact of Congress on U.S. policy toward Israel from 1969 to 1976 demonstrates that Congress was very influential on the extension of aid, moderately so in regard to arms sales, and not very influential in the diplomatic-political sphere where the "Executive branch was largely free to construct its own diplomatic policy positions, so long as these did not clearly seem to endanger Israeli security."

ON EVERY FRONT: THE MAKING OF THE COLD WAR. By Thomas G. Paterson. New York: Norton, 1979, 210 pp. $14.95.

A brief, sophisticated analytical history of the cold war from 1944 to the Korean War. Paterson's broad perspective is an excellent corrective to all single-cause explanations.

THE TRUMAN WHITE HOUSE. Edited by Francis H. Heller. Lawrence: Regents Press of Kansas, 1980, 247 pp. $15.00.

The men who worked for President Truman are virtually unanimous in their praise for his skill and considerateness as an administrator. Twenty-two

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of them assembled in the Truman Library in 1977 to recall and analyze their experiences. The result is a book full of lively, loving anecdote with hardly a negative word.

THE TRUMAN PRESIDENCY: THE ORIGINS OF THE IMPERIAL PRESIDENCY AND THE NATIONAL SECURITY STATE. Edited by Athan Theoharis. Pine Plains (N.Y.): Coleman, 1979, 396 pp. $39.50.

A compilation of documents, many only recently declassified, on the internal and external security activities of the Truman Administration. The evidence confirms that covert intervention abroad and violation of civil rights at home in the name of national security were commonplace.

THE THREAT OF PEACE: JAMES F. BYRNES AND THE COUNCIL OF FOREIGN MINISTERS, 1945–1946. By Patricia Dawson Ward. Kent (Ohio): Kent State University Press, 1979, 227 pp. $12.50.

A well-documented criticism of Secretary of State James F. Byrnes for trying to conduct U.S. foreign policy single-handedly, for entering negotiations without preparation, and for letting bellicose public rhetoric undermine an instinct for reasonable compromise.

LEND-LEASE, LOANS AND THE COMING OF THE COLD WAR. By Leon C. Martel. Boulder (Colo.): Westview Press, 1979, 304 pp. $24.50.

Academic writers too often concentrate on how decisions are made while overlooking the fact that eventual outcomes are profoundly shaped, often in unintended ways, by the process of implementation. Martel drives this point home with this case study of the tangled issues of American aid to the Soviet Union from 1941 to 1946.

THE ELUSIVE QUEST: AMERICA'S PURSUIT OF EUROPEAN STABILITY AND FRENCH SECURITY, 1919–1933. By Melvyn P. Leffler. Chapel Hill: University of North Carolina Press, 1979, 409 pp.

Historians of American foreign relations have too often ridiculed the 1920s as an era of unmitigated economic selfishness and political naïveté from which flowed international anarchy in the 1930s and world war in the 1940s. Melvyn Leffler's deep and subtle study corrects the stereotype by showing generally intelligent men grappling quite constructively with unprecedented problems.

## *The Western Hemisphere*

*Robert D. Crassweller*

IN DEFENCE OF CANADA. VOL. IV: GROWING UP ALLIED. By James Eayrs. Toronto: University of Toronto Press, 1980, 431 pp. $25.00.

The fourth volume in the author's magisterial examination of Canada's external and defense policies since World War I focuses on NATO and related issues, especially the nature of the nuclear deterrent, from 1947 to 1955, and is based on extensive archival research. The central figure is Lester B. Pearson. One is struck by his ability to offer constructive criticism to the United States government without giving offense.

G.S.

THE JOINT ORGANIZATIONS OF CANADA AND THE UNITED

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STATES. By William R. Willoughby. Toronto: University of Toronto Press, 1979, 289 pp. $25.00.

As John Holmes observes in the foreword, the literature on Canadian-American relations is long on polemic but short on solid description. This competent book, by the author of the standard history of the St. Lawrence Seaway, is thus much needed. It deals with the International Joint Commission (established in 1909), fishery commissions, and defense organizations beginning with the Permanent Joint Board of Defense established in 1940.

G.S.

THE CENTRALIST TRADITION OF LATIN AMERICA. By Claudio Véliz. Princeton: Princeton University Press, 1980, 355 pp. $22.50 (Paper, $9.75).

As finely and intricately woven as a great tapestry, this thoughtful book is a splendid achievement in Latin American historical analysis. Noting that northwestern Europe experienced feudalism, religious nonconformity, the Industrial Revolution, and the by-products of the French Revolution, whereas Latin America did not, Véliz argues that European political and social forms and norms cannot be applied to Latin America. The latter must follow its own style and tradition, which is that of bureaucratic centralism, preindustrial and non-egalitarian in character.

THE CONTINUING STRUGGLE FOR DEMOCRACY IN LATIN AMERICA. Edited by Howard J. Wiarda. Boulder (Colo.): Westview Press, 1980, 311 pp. $24.50.

Twelve essays, an introduction and a concluding chapter are organized around a central theme defined as the "analysis, evaluation, reformulation and reassessment of democracy in Latin America, based on its own indigenous understandings and political practices, rather than the often inapplicable foreign ones . . . ." A worthwhile endeavor.

LATIN AMERICA COMES OF AGE. By Thomas J. Knight. Metuchen (N.J.): Scarecrow Press, 1979, 335 pp. $17.50.

Taking aim at the simplifying myths, Knight argues for the complexity of Latin American life in a wide-ranging description of history, geography, culture, society, politics, food and much else.

CRY OF THE PEOPLE. By Penny Lernoux. New York: Doubleday, 1980, 535 pp. $12.95.

An impassioned appeal, unencumbered by attempts at evenhanded analysis, on behalf of the Roman Catholic Church in Latin America in its role as the Church Militant, or perhaps the Church Revolutionary. The major social and political involvements of the Roman Catholic clergy in areas of social change are described, in ardent prose.

CHILE AT THE TURNING POINT: LESSONS OF THE SOCIALIST YEARS, 1970–1973. Edited by Federico G. Gil, Ricardo Lago E., and Henry A. Landsberger. Philadelphia: Institute for the Study of Human Issues, 1979, 480 pp. $24.50.

The twenty essays assembled here, generally dispassionate and comfortably free of jargon, address two questions: is the political road to socialism viable, or can political rules be followed only when they aren't used to change the

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system? Was the 1973 coup inevitable, on the theory that bureaucratic/authoritarian regimes arise from the rigidity of social structures?

CRUEL DILEMMAS OF DEVELOPMENT: 20th CENTURY BRAZIL. By Sylvia Ann Hewlett. New York: Basic Books, 1980, 243 pp. $15.00.

The author compares the contrasting roads to development chosen by Brazil and China—the capitalist and socialist prototypes. Which set of development costs should a nation choose: the deepening impoverishment of many, or political repression? This book avers that "there are no easy routes to the modern world; the choices involved are extremely painful and will confront nations well into the future."

THE WINDS OF DECEMBER. By John Dorschner and Roberto Fabricio. New York: Coward, McCann & Geoghegan, 1980, 552 pp. $15.95.

The abrupt and shattering climax of the Cuban revolution—in November–December 1958 and the first days of 1959—is recreated in the style of vivid, impressionistic and anecdotal journalism. The account is based on State Department sources and extensive interviews.

## *Western Europe*

*Fritz Stern*

THE WESTERN ALLIANCE: EUROPEAN-AMERICAN RELATIONS SINCE 1945. By Alfred Grosser. New York: Continuum, 1980, 375 pp. $19.50.

A splendidly successful mixture of history and analysis: the crucial elements and turning points of a difficult relationship are placed in a broad context, sharpened by Grosser's fine sense for the multiplicity of actors and the complexity of any given situation. The telling quote or incident lends drama to an account that stresses the enduring problems of an uneven relationship; in regard to America's role he observes, "Domination refers to having and doing but also to being, which is so closely tied to seeming." A good text for the present crisis of the alliance, by a French scholar-writer with a remarkably internationalist perspective.

THE POLITICS OF GRANDEUR: IDEOLOGICAL ASPECTS OF DE GAULLE'S FOREIGN POLICY. By Philip G. Cerny. New York: Cambridge University Press, 1980, 319 pp. $29.50.

De Gaulle's longevity—his continuing presence in the minds of political actors and observers today—is a tribute to his person and his historic role. An American-born but British-trained political scientist probes De Gaulle's thought and foreign policy, emphasizing the wider implications of "grandeur." A fascinating subject, imaginatively conceived, though marred by an excessive reliance on the rhetoric of modern political science. Nevertheless, this is a study that sheds light on the nature of leadership, the uses of foreign policy in the domestic realm, and the premises and actual course of Gaullist foreign policy.

ERINNERUNGEN. By Carlo Schmid. Bern and Munich: Scherz, 1979, 868 pp.

The memoirs of a recently deceased, much respected Bonn statesman, a leading socialist who survived Hitler's regime and war with his moral position unbroken and who came to play a major role in the formation and develop-

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ment of the Federal Republic. A Swabian academic, he was a kind of intellectual patrician of his party and an early champion of Europe. His book gives a rich, if not exactly sparse, account of his various roles and his encounters with the great in Germany and outside. Pleasantly evocative rather than austerely analytical or deeply perspicacious.

DER ZWEITE WELTKRIEG: URSACHEN UND ANLASS. By Georg Franz-Willing. Leoni am Starnberger See: Druffel-Verlag, 1980, 310 pp. DM. 29.50.

An appallingly tendentious book with the thesis that the "two Anglo-Saxon world powers, England and America, were driving toward war and [hence] bear principal responsibility" for the outbreak of World War II. According to this view, deceptively bolstered by revisionist literature and a smattering of other sources, Germany carried the least responsibility. A shoddy and polemical work, cloaked in the trappings of scholarship.

WEST GERMAN FOREIGN POLICY: 1949–1979. Edited by Wolfram F. Hanrieder. Boulder (Colo.): Westview Press, 1980, 245 pp. $22.50.

A useful collection of essays on various aspects of West German foreign policy, both historical and contemporary in scope, and written by some of the best-known experts and practitioners in the field. A timely book—given the continued growth of German influence in the world.

DEMOCRACY IN WESTERN GERMANY. By Gordon Smith. New York: Holmes & Meier, 1980, 225 pp. $17.50 (Paper, $9.95).

A helpful and comprehensive introduction to postwar German politics.

ITALY IN TRANSITION: CONFLICT AND CONSENSUS. Edited by Peter Lange and Sidney Tarrow. London: Cass, 1980, 186 pp. (Totowa, N.J.: Biblio, distributor, $25.00).

The theme of this informative symposium, mostly by Italian scholars, can be found in Giuliano Amato's remark: "We Italians are in transit from the past to the future of industrial capitalism without having lived through the present." Italy's political culture is in a similar transition. Most of the essays breathe a certain confidence that Italian democracy, having survived so many crises, may yet go on to develop greater stability and growth. A massive array of facts bolsters a thoughtful analysis and makes this an eminently useful introduction to contemporary Italian politics.

SWEDEN: THE MIDDLE WAY ON TRIAL. By Marquis Childs. New Haven: Yale University Press, 1980, 179 pp. $12.95.

A veteran journalist returns to the subject of his celebrated report of 1936, *Sweden: The Middle Way*. The present work, episodic and anecdotal, presents a somber analysis of Sweden's difficulties which have been produced by the very successes of the welfare state. Once again, Swedish experience may have exemplary lessons for other nations, as Sweden's crisis seems to epitomize Western problems. A timely and readable study.

THE STATE IN NORTHERN IRELAND, 1921–1972. By Paul Bew, Peter Gibbon and Henry Patterson. New York: St. Martin's, 1980, 231 pp. $19.95.

Northern Ireland has been a challenge to rulers and social theorists alike. The authors seek a double goal: to test and refine Marxist analysis and by doing so to elucidate the problems of Northern Ireland. They are critical of

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some of their Marxist predecessors and focus on the role and nature of the state, with some of their evidence coming from recently opened archives. A book of some interest, to a few.

## *The Soviet Union and Eastern Europe*

*John C. Campbell*

THE SOVIET UNION SINCE STALIN. Edited by Stephen F. Cohen, Alexander Rabinowitch and Robert Sharlet. Bloomington: Indiana University Press, 1980, 352 pp. $22.50 (Paper, $7.95).

This is not a systematic treatment of the post-Stalin years, since the domestic and international topics chosen vary with the expertise and tastes of the contributors. These thoughtful essays, nevertheless, raise and intelligently discuss most of the major issues (continuity vs. change, de-Stalinization, economic reform, regional development, Eastern Europe, and policy toward the West) with which Stalin's successors have had to contend.

INSIDE THE SOVIET EMPIRE: THE MYTH AND THE REALITY. By Nora Beloff. New York: Times Books, 1980, 185 pp. $9.95.

A well-known British journalist's adventures on a trip to less travelled parts of the U.S.S.R. in search of an answer to the question: How does Moscow hold its multinational empire together? She does not give us the answer but provides a lively account of her experience with the realities of Soviet life, including the ministrations of the KGB, which detained and interrogated her at length before letting her leave the country.

THE OAK AND THE CALF: A MEMOIR. By Aleksandr I. Solzhenitsyn. New York: Harper, 1980, 568 pp. $15.95.

Solzhenitsyn's own story of his years of struggle with the Soviet authorities over the writing and publication of his works in the U.S.S.R. Of interest and significance not only in revealing the workings of the Soviet system, but also in illustrating the dilemmas posed by the dissidents both to the Kremlin and to the West.

THE SOVIET UNION: LOOKING TO THE 1980s. Edited by Robert Wesson. Stanford: Hoover Press/Millwood (N.Y.): Kto Press, 1980, 288 pp. $25.00.

It is interesting to compare the official Soviet image of the future pictured in Donald Kelley's contribution to this symposium with the views and predictions of his colleagues in the other essays. One is by Andrei Amalrik, on whose forecast of catastrophe the year 1984 is closing in.

DIPLOMACY AND IDEOLOGY: THE ORIGINS OF SOVIET FOREIGN RELATIONS, 1917–1930. By Teddy J. Uldricks. Beverly Hills: Sage, 1979, 239 pp. $22.50 (Paper, $9.95).

The interplay of the two facets of early Soviet foreign policy represented by *Narkomindel* and *Komintern* have fascinated a number of Western observers since Louis Fischer's pioneer work on the period of the 1920s. The basic archival sources remain closed, of course, but Uldricks has shown skill and industry in consulting all the available material and has made a point of showing how the Commissariat for Foreign Affairs was organized, who the

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diplomats were, what they accomplished, and what befell them in the purges of the 1930s.

PEASANTS AND GOVERNMENT IN THE RUSSIAN REVOLUTION. By Graeme J. Gill. New York: Barnes & Noble, 1979, 233 pp. $22.50.

The Kerensky government's internal disunity, its alienation of the peasantry, and ultimate resort to force in the countryside contributed heavily to its downfall. The story is carefully chronicled in this admirable monograph.

SOVIET ASIAN ETHNIC FRONTIERS. Edited by William O. McCagg, Jr. and Brian D. Silver. Elmsford (N.Y.): Pergamon Press, 1979, 300 pp. $32.50.

A valuable background book on a subject hitherto little known in the West but now of primary importance in judging present and future developments in Soviet relations with Turkey, Iran, Afghanistan and China.

STALINIST PLANNING FOR ECONOMIC GROWTH, 1933–1952. By Eugène Zaleski. Chapel Hill: University of North Carolina Press, 1980, 788 pp. $50.00.

The second volume of a massive study of Soviet planning and performance from the Revolution to the end of the Stalin period. It is a formidable work, encompassing mountains of references and statistics, in which the author looks to the realities, to what planning did and did not do in directing the economy, and how it served as an instrument of Stalinist policy and power.

SOVIET ECONOMIC THOUGHT AND POLITICAL POWER IN THE U.S.S.R. By Aron Katsenelinboigen. Elmsford (N.Y.): Pergamon Press, 1980, 228 pp. $25.00.

Drawing on his experience as an economist in positions with the Academy of Sciences and Moscow University, the author reviews the development of mathematical economics in the U.S.S.R., the disputes among economic schools of thought, and their relation to questions of political power and leadership. Both text and notes contain interesting sidelights on the economic establishment.

JOURNEY INTO TERROR: THE STORY OF THE RIGA GHETTO. By Gertrude Schneider. New York: Ark House, 1979, 229 pp. $12.95.

A chapter in the dreadful history of the Holocaust, the fate of the Jews of Latvia and of those brought in from Germany, Prague and Vienna to live (or die) in the Riga ghetto before being sent away to the extermination camps in 1943.

EASTERN EUROPE AND THE NEW INTERNATIONAL ECONOMIC ORDER. Edited by Ervin Laszlo and Joel Kurtzman. Elmsford (N.Y.): Pergamon Press (for UNITAR/CEESTEM), 1980, 107 pp. $15.00.

Essays by Soviet, Polish, Hungarian, Romanian and Yugoslav economists, mainly presenting their respective governments' views and positions. They do not shed much light on what the Second World would and could really do, other than prod the First, to bring about basic change in favor of the Third.

THE UNITED STATES AND POLAND. By Piotr S. Wandycz. Cambridge: Harvard University Press, 1980, 465 pp. $25.00.

Professor Wandycz shows a remarkable balance in his excursion into history and international politics. He treats the relationship from both sides and is

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well aware that American attention or inattention to "the Polish question" must be seen against the background of relations among the Great Powers. While the book is written for the general reader, the appended bibliographical essay indicates the thorough scholarship that underlies it. The best work yet on the subject.

FLASHPOINT POLAND. By George Blazynski. Elmsford (N.Y.): Pergamon Press, 1980, 416 pp. $27.50.

Many years as a broadcaster with BBC and RFE and numerous visits to Poland have given the author an intimate knowledge of the contemporary Polish scene. His detailed reconstruction of events since 1970, useful in itself, also provides a solid basis for his interpretations and judgments. He sees great stresses in the present state of affairs, insoluble problems for Moscow and the Polish Communist leaders, and real opportunities for "testing the limits of the possible."

MOSCOW DIARY. By Veljko Mićunović. New York: Doubleday, 1980, 474 pp. $15.95.

Yugoslavia's Ambassador to the U.S.S.R. in the late 1950s gives an insider's story of Yugoslav-Soviet relations of that time, with much material of interest on the issues and personalities of the day, especially the redoubtable Nikita Sergeievich himself. An abridged version of the Yugoslav edition published in 1977.

SEĆANJA: BORBA ZA PRIZNANJE I NEZAVISNOST NOVE JUGOSLAVIJE, 1944–1957. By Edvard Kardelj. Belgrade: NIRO Radnička štampa, 1980, 368 pp. 300 dinars.

Kardelj's memoirs, dictated by him in the last year of his life and prepared for publication, with explanatory material, by an editorial team made up of his political colleagues, constitutes a significant supplementary source on the crucial years of the consolidation of the Tito regime in power and the dispute with Stalin.

TITO'S YUGOSLAVIA. By Duncan Wilson. New York: Cambridge University Press, 1980, 269 pp. $27.50.

A former British Ambassador to Yugoslavia has written a general narrative covering the past 35 years which avoids detail and scholarly citations, makes a factual mistake or two, but reflects a balanced view and a good feel for the country. At the end he evaluates Tito's achievements and discusses the succession.

## *The Middle East and North Africa*

*John C. Campbell*

THE ORIGINS OF THE COLD WAR IN THE NEAR EAST: GREAT POWER CONFLICT AND DIPLOMACY IN IRAN, TURKEY, AND GREECE. By Bruce R. Kuniholm. Princeton: Princeton University Press, 1980, 485 pp. $27.50 (Paper, $10.50).

The passing years have now given us the breadth of view, and the historical source material, to deal fully and rationally with the evolution of U.S. policy which culminated in the Truman Doctrine of 1947. Bruce Kuniholm has written a clear and competent history of those developments, and because he

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gives the full picture of what compelled U.S. action in the Eastern Mediterranean, he has the right perspective in discussing the wider implications of the Truman Doctrine.

THE LAST CRUSADE: A NEGOTIATOR'S MIDDLE EAST HANDBOOK. By William R. Brown. Chicago: Nelson-Hall, 1980, 399 pp. $20.95 (Paper, $10.95).

An admiring account of Kissinger's Middle East diplomacy and a guide for his successors, stressing not so much the former Secretary's personality and diplomatic skill as his concern for process and momentum, and for changes in the parties' perceptions as the avenue to step-by-step settlements. Brown's background in public service is largely in the Arab field, and his analysis of Arab perceptions is particularly apt.

ANATOMY OF THE MIDDLE EAST CONFLICT. By Y. M. Primakov. Moscow: Nauka, 1979, 330 pp. (Chicago: Imported Publications, distributor, $3.60).

This account by one of the foremost Soviet authorities on the Middle East contains the usual explanations of the Arab-Israeli conflict in terms of imperialism, Zionism and national liberation movements, but it also displays a keen understanding of regional and international politics. Primakov's description of American policy, which takes up the second half of the book, has enough truth to be plausible and enough gaps and distortions to be a caricature.

FROM THESE MEN: SEVEN FOUNDERS OF THE STATE OF ISRAEL. By Shimon Peres. New York: Wyndham Books, 1980, 254 pp. $10.95.

The leader of the Labor Party takes time out to write sketches of the achievements of seven men who helped shape Israel and strongly influenced Peres himself. They include Ben-Gurion, "the greatest Jew of our generation," and Levi Eshkol. In the process Peres gives a few sidelights on key episodes in Israel's history.

EGYPT AND THE UNITED STATES: THE FORMATIVE YEARS. By Gail E. Meyer. Cranbury (N.J.): Fairleigh Dickinson University Press, 1980, 230 pp. $18.00.

Wide-ranging research in U.S.-Egyptian relations in the 1950s, including use of important oral history resources in the Dulles collection, makes this a work no student of the period should ignore. On those policies and episodes where the facts and motives are still obscure, and there are some significant ones, we shall have to await the availability of the basic documents in Washington, London and Cairo.

PALESTINIAN SOCIETY AND POLITICS. By Joel S. Migdal and others. Princeton: Princeton University Press, 1980, 290 pp. $20.00 (Paper, $6.95).
THE SOCIOLOGY OF THE PALESTINIANS. Edited by Khalil Nakleh and Elia Zureik. New York: St. Martin's, 1980, 232 pp. $23.50.

Two books on Palestinian society which reflect their differing origins and authors, one by Israeli and American sociologists, the other by Arab Palestinians. The first is the more scholarly and scientific, the second more impassioned and political. But one can discern some common threads, and in any event the appearance of all such studies helps to broaden knowledge of a people with which the world's leaders have found they have to be concerned.

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ARAB RESPONSE TO THE MULTINATIONALS. By Riad A. Ajami. New York: Praeger, 1979, 143 pp.

The Arab response is mixed, but Ajami wishes to accentuate the positive, and shows how Arab states see the need for reconciling nationalism with international economic activity. The multinationals in this instance are the big oil companies.

THE RISE AND FALL OF THE SHAH. By Amin Saikal. Princeton: Princeton University Press, 1980, 279 pp. $14.50.
FACES IN A MIRROR: MEMOIRS FROM EXILE. By Princess Ashraf Pahlavi. Englewood Cliffs (N.J.): Prentice-Hall, 1980, 238 pp. $12.95.
THE FALL OF THE SHAH. By Fereydoun Hoveyda. New York: Wyndham Books, 1980, 221 pp. $9.95.
FALL OF THE PEACOCK THRONE. By William H. Forbis. New York: Harper, 1980, 305 pp. $15.95.

The sluice gates are open for books on Iran and the fall of the Shah. That of Amin Saikal is a scholar's measured assessment, based on knowledge of the country and of Persian sources, and skillful in its interweaving of domestic and international factors. The author gives the Shah credit for significant achievements but finds his aims and policies full of contradictions and weaknesses. The other three books are much lighter fare. Princess Ashraf, the Shah's twin sister and the target of much popular hatred, tells her personal story which is, not unexpectedly, full of bitterness against America and especially the Carter Administration. Hoveyda finds the Shah guilty of all kinds of crimes and mistakes during the last decade of his reign, the period in which the author served as His Majesty's Ambassador to the U.N. Forbis, a *Time-Life* editor, offers a popular description, splashy with local color but without providing a solid basis for understanding either the Shah's rule or what followed it.

RELIGION AND POLITICS IN CONTEMPORARY IRAN. By Shahrough Akhavi. Albany: State University of New York Press, 1980, 255 pp. $29.00.

What an "Islamic Republic" looks like in actuality may be made manifest by events now unfolding in Iran. But if we are to understand the political role of Shi'i Islam it is necessary to go back many years into the past. This monograph covering the half-century of the Pahlavi dynasty is admittedly a first cut at a complex subject, but welcome as a means of understanding what has happened, and what may happen, in Iran.

MIDDLE EAST CONTEMPORARY SURVEY: VOL. II, 1977–78. Edited by Colin Legum and Haim Shaked. New York and London: Holmes & Meier, 1979, 824 pp. $85.00.

For those who know it, and can afford it, this annual has become a rich source of information on the contemporary Middle East. But even with its great bulk, constraints of space mean that some subjects receive but minimum coverage (e.g., five pages on Soviet policy in the region).

## *Asia and the Pacific*

*Donald S. Zagoria*

MILITARY POWER AND POLICY IN ASIAN STATES: CHINA, INDIA, JAPAN. Edited by Onkar Marwah and Jonathan D. Pollack. Boulder (Colo.): Westview Press, 1980, 180 pp. $18.50.

A useful introduction to the force levels, defense spending and security perspectives of three of Asia's key powers, China, India and Japan. Pollack

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stresses China's military weakness: "Especially for an economy at China's overall level of technology and industrial development, the most appropriate focus is on constraints, not choices. All too often, scholars ignore the obvious limits of Chinese power that cannot be overcome without prodigious long-term effort." Marwah stresses India's slow but steady accumulation of military power, including an impressive nuclear base that is ahead of China's. Nakada notes the Japanese potential for acquiring a far more forceful conventional defense posture.

JAPAN AND THE UNITED STATES: ECONOMIC AND POLITICAL ADVERSARIES. Edited by Leon Hollerman. Boulder (Colo.): Westview Press, 1980, 224 pp. $22.00.

A rather uneven collection of essays on Japanese-U.S. relations of which the most important and balanced is Robert Scalapino's. He presents both an optimistic and a pessimistic scenario for those relations, with much hinging on domestic politics in both countries. On the Japanese defense issue, Scalapino details the debate within Japan and the U.S. between those who think Japan's defense commitments are adequate and those who do not. And he concludes on a sobering note. The U.S.-Japan relationship is going to have to accommodate a higher degree of tension than ever in the past and, to meet this challenge, we need a much greater pool of expertise than we now have, both in and out of government, to expand the consultative process at many levels.

CHINA: A SECOND LOOK. By Claudie Broyelle, Jacques Broyelle and Evelyne Tschirhart. Atlantic Highlands (N.J.): Humanities Press, 1980, 308 pp. $28.50.

Three disillusioned French Marxists produce a devastating firsthand account of the stultifying controls over the Chinese people exercised by the Party bureaucracy in the early 1970s.

AGREEMENT ON TRADE RELATIONS BETWEEN THE UNITED STATES AND THE PEOPLE'S REPUBLIC OF CHINA. Hearing before the Subcommittee on International Trade of the Senate Committee on Finance, November 15, 1979. Washington: G.P.O., 1980, 156 pp.

These hearings are interesting not only for the wealth of detail on U.S. trade with China; they also include the divergent views of Senators Jackson and Stevenson on the question of "evenhandedness" between the Soviet Union and the PRC; some acute insights into the present chaos of our foreign trade policies vis-à-vis communist countries; and the testimony of Commerce Department experts that the Chinese could have 100 billion barrels of oil reserves, roughly half offshore. This is as much as Iran has.

ECONOMIC DEVELOPMENT IN SOUTHEAST ASIA: THE CHINESE DIMENSION. By Yuan-li Wu and Chun-hai Wu. Stanford: Hoover Press, 1980, 219 pp. $8.95 (Paper).

For those interested in the future of ASEAN, this study of the role of the ethnic Chinese minorities in the economic development of Southeast Asia is very timely. The book concludes: (1) that in spite of their natural resources, Thailand, Malaysia, Indonesia and the Philippines have not done as well since the 1960s as resource-poor countries like Singapore, Hong Kong, Taiwan and South Korea; (2) that one reason for this has been their failure to make the most of their ethnic Chinese material, financial and human resources; (3)

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that this fact has now been recognized in all the ASEAN countries with the possible exception of Malaysia; (4) that the Chinese businessmen in Southeast Asia have increased their linkages to the United States and other Pacific countries and that this could prove to be useful to the countries of the region; and (5) that the main threat to a favorable outcome is extreme economic nationalism.

NATIONAL AND REGIONAL INTERESTS IN ASEAN. By Russell H. Fifield. Singapore: Institute of Southeast Asian Studies, 1979, 83 pp.

A very solid essay on the origins of ASEAN and the challenge to it posed by the fall of Indochina and the Vietnamese conquest of Cambodia.

W.D.

A HISTORY OF INDIA. By K. Antonova, G. Bongard-Levin and G. Kotovsky. Moscow: Progress, 1979, 2 vols. (Chicago: Imported Publications, distributor, $10.80 each).

Kotovsky, the principal author, is the Soviet Union's leading specialist on Indian history and politics. Although this volume is an impressive account, from a rather sophisticated Marxist view, of Indian history since the eighteenth century, it unfortunately has only a very sketchy chapter on Indian developments in the 1970s.

## *Africa*

*Jennifer Seymour Whitaker*

POLITICS AND CLASS IN ZAIRE: BUREAUCRACY, BUSINESS AND BEER IN LISALA. By Michael G. Schatzberg. New York: Africana, 1980, 228 pp. $29.50.

This study brilliantly demonstrates how the complete centralization of power in Zaïre has not led to more effective governance but to the total exploitation of most of the population, and has created a virtually universal adversary relationship between elites and masses. The description of the effects of the 1973 "Zaïrianization" of the country's entire commercial sector, greatly enlarging the gap between haves and have-nots and increasing the economic insecurity of the latter, is particularly compelling.

NIGERIAN GOVERNMENT AND POLITICS UNDER MILITARY RULE, 1966–1979. Edited by Oyeleye Oyediran. New York: St. Martin's, 1980, 319 pp. $25.00.

A group of Nigerian scholars, journalists and former civil servants (predominantly from the southwestern part of the country) analyzes the phases of military governance over 13 years of war, peace and booming oil production. Somewhat uneven (with essays by Philip Asiodu and Bolaji Akinyemi standing out among the rest) and repetitive, it is of interest particularly in indicating which issues Nigerians consider primary where their own country is concerned.

AFRICAN UPHEAVALS SINCE INDEPENDENCE. By Grace Stuart Ibingira. Boulder (Colo.): Westview Press, 1980, 349 pp. $22.50.

A former Ugandan Cabinet minister, subsequently jailed by the Obote regime, reflects on the deleterious effects of the "winner-take-all" approach to

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political power in independent Africa. His analysis draws on the cases of Ghana and Nigeria as well as Uganda, but the book's chief interest lies in Ibingira's personal revelations about the machinations leading up to Obote's 1966 assumption of absolute power.

CONFLICT AND COMPROMISE IN SOUTH AFRICA. Edited by Robert I. Rotberg and John Barratt. Lexington (Mass.): Lexington Books, 1980, 212 pp. $22.50.

While admittedly retracing some well-worn pathways, this collection is more interesting than most on this subject in its thorough confrontation of evolutionary alternatives to revolutionary change in South Africa—particularly the analysis of forms of partition by Gavin Maasdorp.

SUFFER THE FUTURE: POLICY CHANGES IN SOUTHERN AFRICA. By Robert I. Rotberg. Cambridge: Harvard University Press, 1980, 311 pp. $15.00.

Directed toward a general audience, this survey of the white redoubt covers mostly familiar territory, focusing more on historical, political and economic data—particularly about South Africa—which provide the context for policy choices, than on discussion of policy itself.

COMMUNISM IN AFRICA. Edited by David E. Albright. Bloomington: Indiana University Press, 1980, 277 pp. $12.95.

A more accurate title would be "The U.S.S.R. in Africa." Its symposium format engenders perhaps inevitable repetition about Soviet intervention in Angola and Ethiopia. Most interesting are essays by Colin Legum on African reactions to the U.S.S.R., Marina Ottaway on Marxism in Ethiopia and Mozambique, and Edward T. Wilson on Russian activity in Africa going back to the eighteenth century.

AFRICA AND THE WEST. Edited by Michael A. Samuels. Boulder (Colo.): Westview Press, 1980, 114 pp. $16.50.

Writing in the autumn of 1978, the foreign ministers of Morocco, Sierra Leone, Tanzania, Zaïre, Belgium and Sweden, as well as President Senghor of Senegal, emphasize economic cooperation and political goodwill in relations between the West and Africa.

AFRICA CONTEMPORARY RECORD: VOL. XI, 1978–79. Edited by Colin Legum. New York: Holmes & Meier, 1980, $95.00.

This monumental annual effort includes analytical essays on current issues (this year covering: southern Africa, the OAU and foreign intervention, the renegotiation of Lomé, as well as U.S., Soviet, Cuban, French, British and German policies) together with country-by-country reviews and documents. Expert contributors maintain a high level of accuracy.

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*Janet Rigney*

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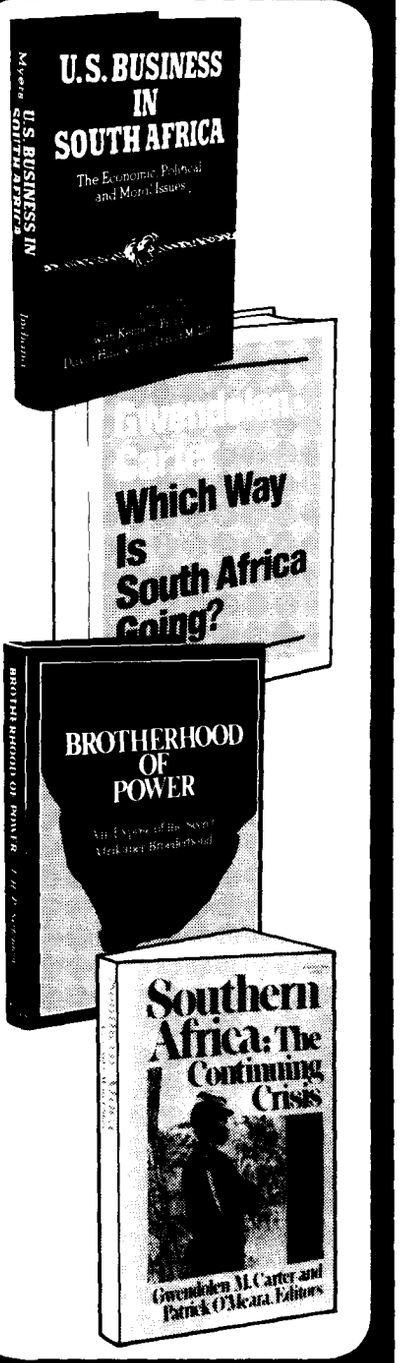
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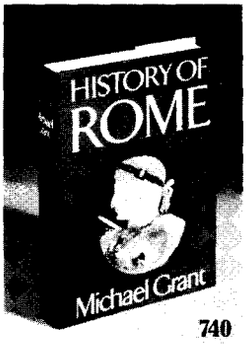


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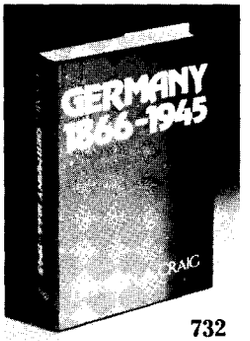


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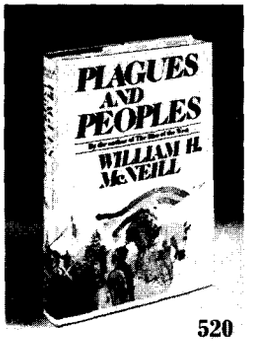


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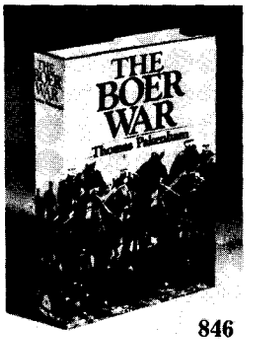


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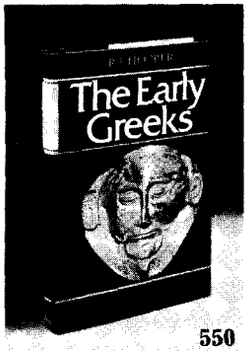


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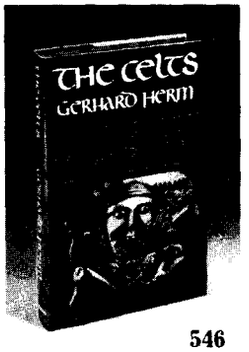


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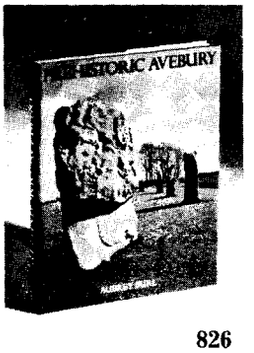


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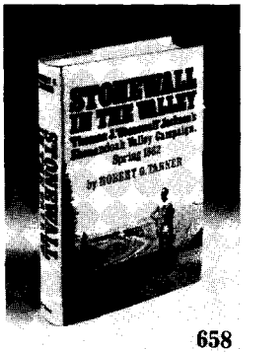


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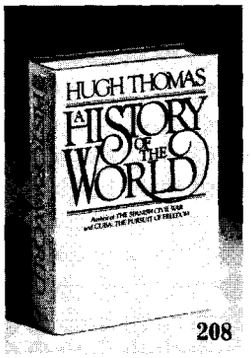


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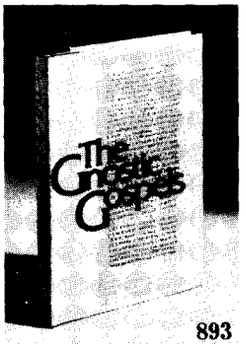


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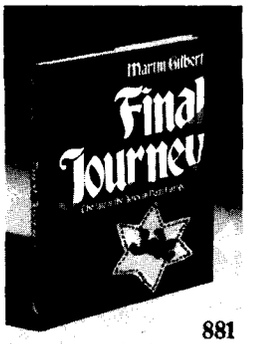


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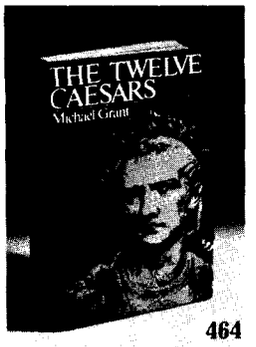


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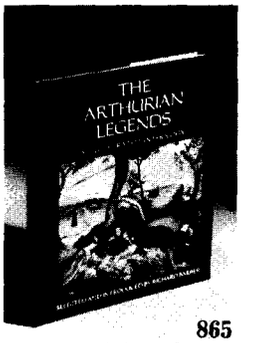


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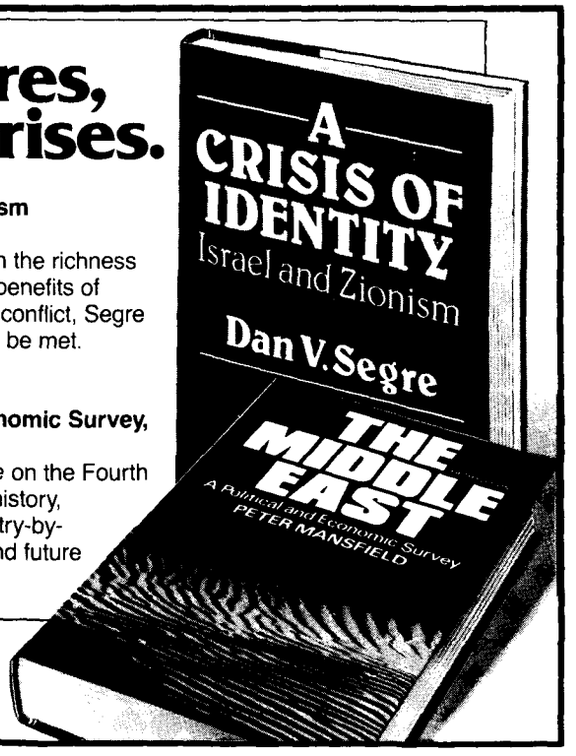


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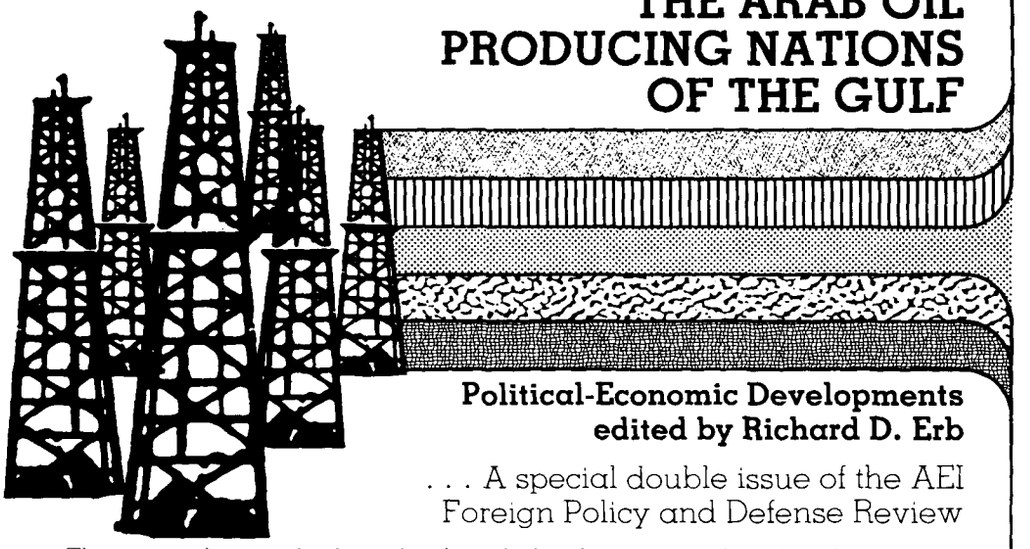

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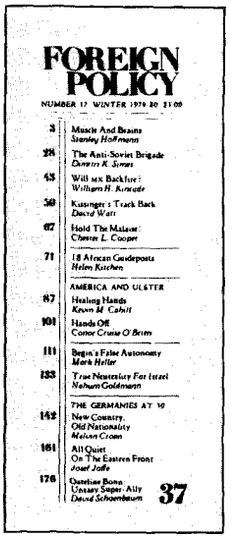
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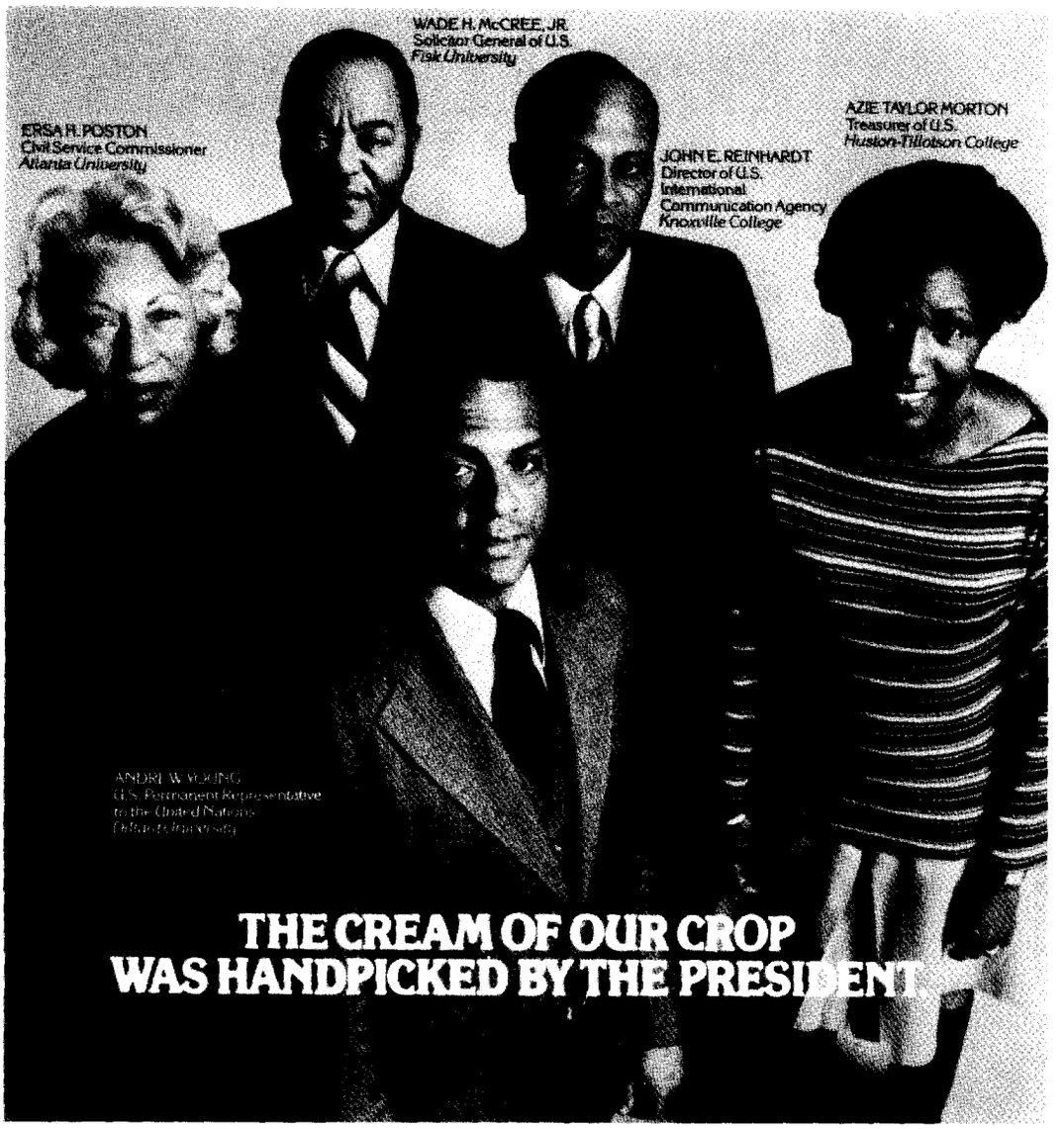


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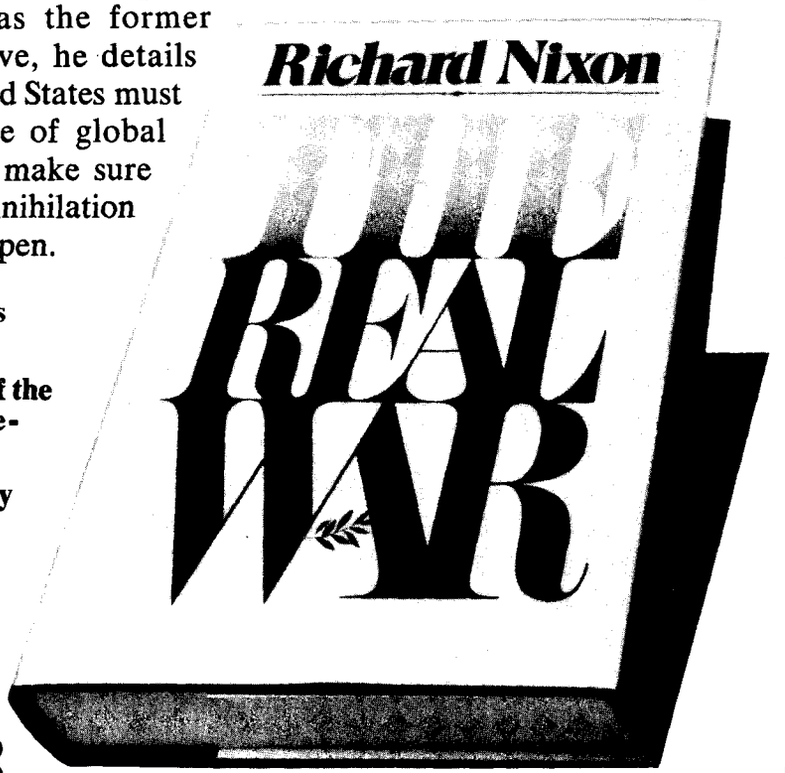


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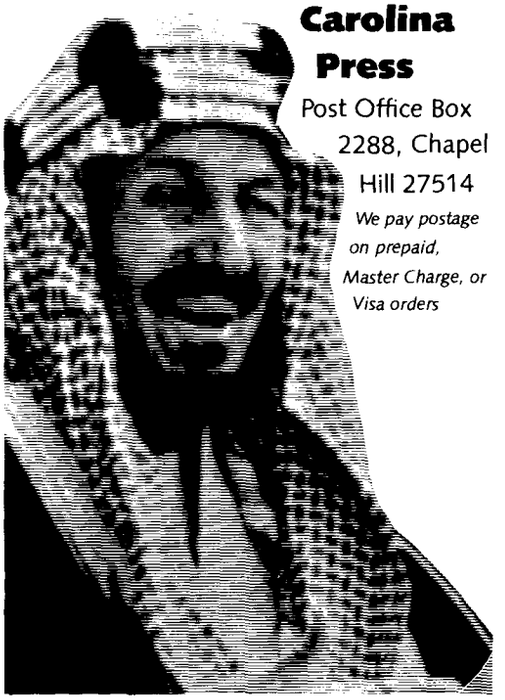

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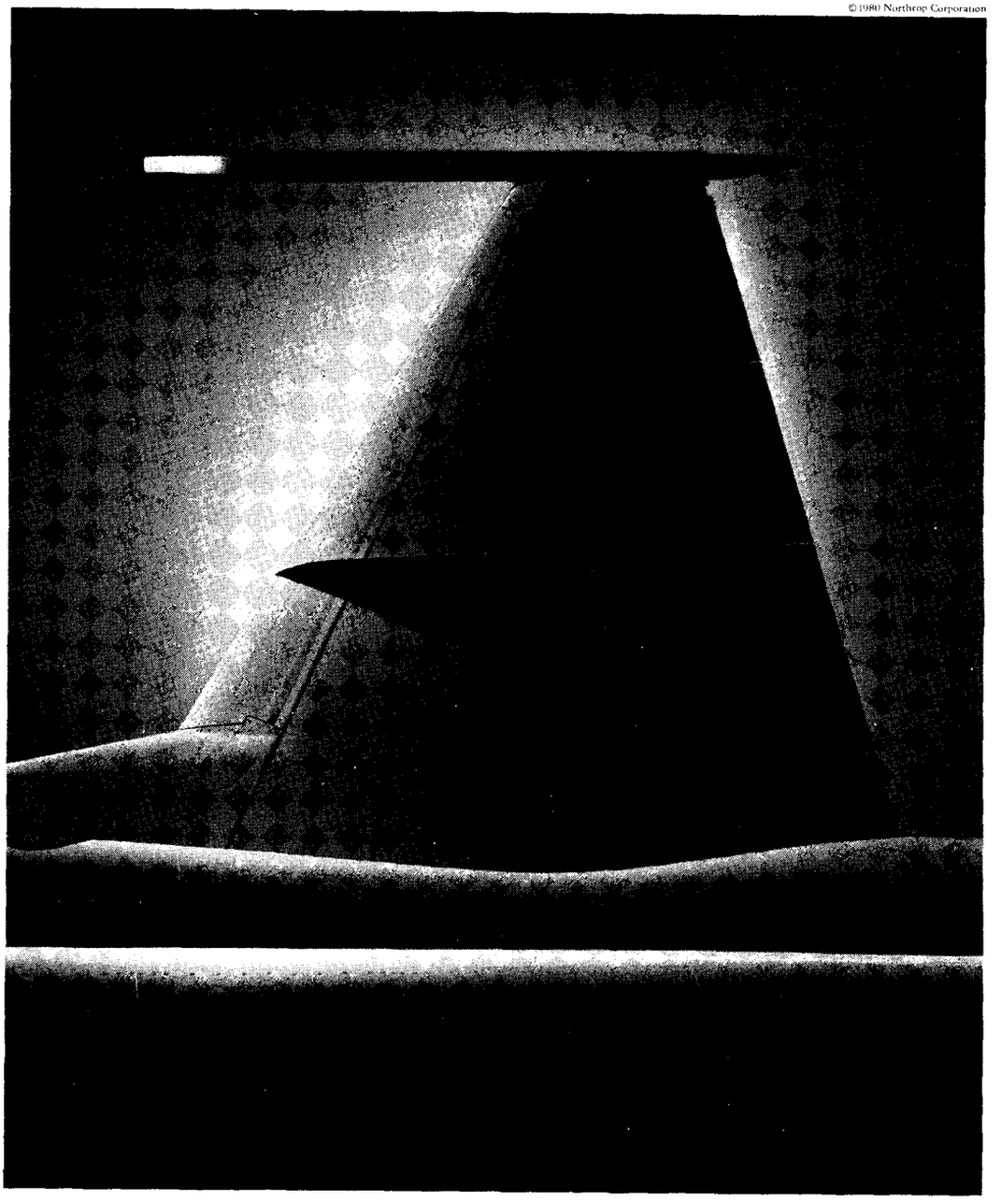

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